

National Drug Code (NDC) Billing Guidelines

Community First Health Plans requires the use of National Drug Codes (NDCs) and related information, such as Healthcare Common Procedure Coding System (HCPCS) and Current Procedural Terminology (CPT®) codes, when drugs are billed on professional/ancillary electronic (ANSI 837P) and paper (CMS-1500) claims.

This information may also be submitted on institutional/facility electronic (ANSI 837I) and paper (UB-04) claims. This includes drug-related revenue codes to report drug products used for services rendered at medical outpatient facilities as well as unlisted HCPCS/CPT codes that require additional NDC information.

All claims must first pass specific minimum edits prior to acceptance. **Claim records that do not pass these minimum edits are invalid and will be rejected or denied.** In order to avoid a rejection or denial please ensure claims are filed correctly.

What is an NDC?

An NDC is a unique 11-digit, three segment number assigned to drugs by the drug manufacturer. An NDC has three segments:

1. **Labeler** – a five-digit code assigned by the Food and Drug Administration (FDA) that identifies the drug manufacturer.
2. **Product** – a four-digit code assigned by the drug manufacturer that identifies the specific product.
3. **Package** – a two-digit code assigned by the manufacturer that identifies the package size.

Where do I find a drug's NDC?

The NDC is usually found on the drug label or medication's outer packaging. If the medication comes in a box with multiple vials, using the NDC on the box (outer packaging) is recommended. The container label also displays information for the unit of measure for the drug. Listed below are the NDC units of measure with examples.

- **UN (Unit)** – Powder-filled vials for injection (needs to be reconstituted), pellet, kit, patch, tablet, or device
- **ML (Milliliter)** – Liquid, solution, or suspension
- **GR (Gram)** – Ointments, creams, inhalers, or bulk powder in a jar
- **F2 (International Unit)** – Products described as IU/vial, or micrograms



How do I submit the NDC on my claim?

Here are some quick tips and general guidelines to assist you with proper submission of valid NDCs and related information on electronic and paper claims:

- The NDC must be submitted along with the applicable HCPCS/CPT code(s) and the number of HCPCS/CPT billable units.
- The NDC must follow the **5digit4digit2digit** format (11-digit billing format, with no spaces, hyphens or special characters).
 - If the NDC on the package label is less than 11 digits, a leading zero must be added to the appropriate segment to create a 5-4-2 configuration.
- The NDC must be active for the date of service.
- Also include the NDC qualifier, number of NDC units, and NDC unit of measure. As a reminder, you must also include your billable charge.

PROFESSIONAL AND INSTITUTIONAL ELECTRONIC CLAIM GUIDELINES (ANSI 837P and ANSI 837I)

Field Name	Field Description	Loop ID	Segment
Product ID Qualifier	Enter N4 in this field.	2410	LIN02
National Drug Code	Enter the 11-digit NDC billing format assigned to the drug administered.	2410	LIN03
National Drug Unit Count	Enter the quantity (number of NDC units).	2410	CTP04
Unit or Bases for Measurement	Enter the NDC unit of measure for the prescription drug given (UN, ML, GR, or F2).	2410	CTP05

NOTE: The total charge amount for each line of service also must be included for the Monetary Amount SV102 Segment, 2400 loop.

PROFESSIONAL PAPER CLAIM GUIDELINES (CMS 1500)

In the **shaded portion** of the line-item field 24A-24G on the CMS 1500, enter the qualifier **N4** (left-justified), immediately followed by the NDC. Next, enter one space for separation, then enter the appropriate qualifier for the correct dispensing unit of measure (**UN**, **ML**, **GR**, or **F2**), followed by the quantity (number of NDC units up to three decimal places), as indicated in the example below.

24. A. DATE(S) OF SERVICE			B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)			E. DIAGNOSIS PCOUNTER	F. \$ CHARGES	G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL.	J. RENDERING PROVIDER ID. #
From	To				CPT/HCPCS	MODIFIER							
MM	DD	YY	MM	DD	YY								
1 N400409477702 ML600.000													
01	01	18	01	01	18	11	J0744		1794.00	6	N	NPI	12345678901

N4	00409477702	ML	600.000
NDC Qualifier	11-digit NDC	Unit of Measure	Quantity

INSTITUTIONAL PAPER CLAIM GUIDELINES (UB-04)

In the line-item field 42-46, enter the appropriate drug-related revenue code in field 42. In field 43, report the NDC qualifier **N4** (left-justified), immediately followed by the 11-character NDC in the 5-4-2 format (no hyphens). Immediately after the last digit of the NDC, enter the appropriate qualifier for the correct package size, NDC unit of measure (**UN**, **ML**, **GR**, or **F2**), followed by the quantity (number of NDC units up to three decimal places), as indicated in the example below.

42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATE / HIPPS CODE
1 636	N400409477702ML600.000	J0744
2		
3		

N4	00409477702	ML	600.000
NDC Qualifier	11-digit NDC	Unit of Measure	Quantity

CLAIMS FILING

The Texas Medicaid Vendor Drug Program (VDP) Clinician Administered Drug (CAD) NDC-to-HCPCS Crosswalk identifies relationships between National Drug Codes (NDC) and Medicaid-payable Healthcare Common Procedure Coding System (HCPCS) codes. The CAD crosswalk assists with billing and coding and serves as a reference for converting HCPCS billing units to valid NDC units.

For a drug or biologic to be reimbursed by Community First, the HCPCS and NDC **must** be listed on the CAD crosswalk in effect on the date of service **and** a payable rate must be listed on the [TMHP Fee Schedule](#). The Texas CAD file is published at least quarterly. The Texas NDC-to-HCPCS Crosswalk can be found at: <https://www.txvendordrug.com/formulary/clinician-administered-drugs>. Clinician administered drugs that do not have an appropriate NDC to HCPCS combination are not payable.

Community First will deny claims for drug procedure codes (HCPCS codes) under the following circumstances:

- The NDC submitted with the HCPCS code is not on the Texas Medicaid VDP CAD Crosswalk that was current on the date of service. Denial reason will be “invalid NDC.”
- The NDC submitted with the HCPCS code has been terminated.
- The HCPCS code is submitted with a missing or invalid NDC.
- The HCPCS code is submitted with the incorrect unit of measure.
 - Please refer to column J on the VDP CAD crosswalk for the correct unit of measure (i.e., ML or UN).
 - The submitted unit of measure should reflect the volume measurement administered.

To avoid claim denials, providers must speak with their pharmacy or wholesaler with whom they work to ensure the product purchased is on the current CAD crosswalk. Appeals for denials for invalid NDC (meaning not on the CAD crosswalk) will be considered on a case-by-case basis and may be payable in certain extenuating circumstances such as a national drug shortage. Documentation of such must be submitted with the claim appeal.

EXAMPLES

- A patient received a 4-mg Zofran IV in a physician's office. The NDC you used was 00173-0442-02, which is Zofran 2 mg/ml in solution form. There are 2 milliliters per vial. You should bill J2405 (ondansetron hydrochloride, per 1 mg) with four HCPCS units. Because this drug comes in a liquid form, you should bill the NDC units as 2 milliliters (ML2).
- A patient received 1 gram of Rocephin² IM in a physician's office. The NDC of the product used was 00004-1963-02, which is Rocephin 500-mg vial in a powder form you had to reconstitute before injection. You should bill J0696 (ceftriaxone sodium, per 250 mg) with four HCPCS units. Because this drug comes in powder form, you should bill the NDC units as two units (also called two each) (UN2).

NOTE: The NDCs listed above have hyphens between the segments for easier visualization. When submitting NDCs on claims, use the appropriate number with no hyphens or spaces between segments.

