

Bulletin Number: MSA 07-61

Distribution: Hospitals, Home Health Agencies

Issued: December 1, 2007

Subject: Reporting National Drug Codes by Outpatient Hospitals

Effective: January 1, 2008

Programs Affected: Medicaid

This bulletin is to provide additional information related to the mandated reporting of the National Drug Codes (NDCs) for physician administered drugs for the Medicaid Program as announce in Medicaid policy bulletin MSA 07-33.

Effective January 1, 2008, the Michigan Department of Community Health (MDCH) will enforce the reporting of NDCs on all claims. The reporting of the NDC is not required for claims that are considered packaged or bundled (Medicare Pay Status = N) under the Outpatient Prospective Payment System (OPPS). All claims that report a Healthcare Common Procedural Coding System (HCPCS) or Current Procedural Terminology (CPT) code, must also report its corresponding NDC and its supplemental information. A claim will reject if a HCPCS or CPT code has been report, and the NDC and its supplemental information is missing/invalid or non-rebateable.

UB-04 Paper Claim Format

The National Uniform Billing Committee (NUBC) recently adopted instructions for reporting the NDC on the UB-04 paper claim format. These instructions (copy attached) can be found on the NUBC website at www.nubc.org, click on "What's New", "NUBC Adopts Instructions for Reporting Medicaid Drug Rebate Information".

To bill multiple NDCs (including compounded drugs), report the appropriate revenue code and the first NDC and its supplemental information in Form Locator 43. Report the additional NDCs and their supplemental information in the Remarks Field in Form Locator 80.

Electronic Claim Format

The following information is additional instructions for reporting multiple NDCs. To bill a procedure code with multiple NDCs (including compounded drugs):

- Report the additional NDC(s) and its supplemental information in the Billing Note within the Segment NTE of LOOP ID 2300
- Report "ADD" as the Billing Note Reference Code
- Report 11 digit NDC, description of the drug, route of administration, Unit of Measurement Value Code, NDC quantity and NDC price in the free text field

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

A handwritten signature in black ink that reads "Paul Reinhart". The signature is written in a cursive style with a large initial "P" and "R".

Paul Reinhart, Director
Medical Services Administration

Medicaid Drug Rebate Reporting

On October 10, 2007, the NUBC adopted instructions for reporting NDC rebate information on the UB-04 paper format. Note that consideration of reporting compound drugs and reporting requirements for 340b entities was tabled at this time in part to obtain formal official input from CMS.

The instructions are summarized as follows:

Using the Revenue Description Field (Form Locator 43) on the UB-04:

- Report the N4 qualifier in the first two (2) positions, left-justified.
- Followed immediately by the 11 character National Drug Code number in the 5-4-2 format (no hyphens).
- Immediately following the last digit of the NDC (no delimiter) the Unit of Measurement Qualifier. The Unit of Measurement Qualifier codes are as follows:
 - F2 -International Unit
 - GR-Gram
 - ML-Milliliter
 - UN- Unit
- Immediately following the Unit of Measurement Qualifier, the unit quantity with a floating decimal for fractional units limited to 3 digits (to the right of the decimal).
- Any spaces unused for the quantity are left blank.

Note that the decision to make all data elements left-justified was made to accommodate the largest quantity possible.

The Description Field on the UB-04 is 24 characters in length. An example of the methodology is illustrated below.

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Effective Date:

For bills created on or after January 1, 2008. Reporting NDC may be deferred in states not ready to implement this methodology as of January 1, 2008.