MSA MEDICAL SERVICES ADMINISTRATION

Bulletin

Michigan Department of Community Health

Bulletin: MSA 10-15

Distribution: Practitioners, Pharmacies, Federally Qualified Health Centers (FQHC), Rural Health Clinics (RHC), Tribal Health Centers (THC), Medical Suppliers, Local Health Departments, Family Planning Clinics, Hospitals, Prepaid Inpatient Health Plans, Community Mental Health Services Programs and Substance Abuse Coordinating Agencies

Issued: May 1, 2010

Subject: Reporting National Drug Codes for Physician Administered Drugs and Tamper Resistant Prescription Pad Policy

Effective: June 1, 2010

Programs Affected: Adult Benefits Waiver (ABW)

Effective January 1, 2010, the Centers for Medicare and Medicaid Services (CMS) approved the Michigan Department of Community Health's (MDCH) request to continue the ABW program and to change the funding source from Title XXI to Title XIX funds. As a result of this funding change, the ABW program is required to follow current Medicaid regulations and policies for collecting drug rebates and tamper resistant prescriptions. The purpose of this bulletin is to notify providers how these two issues are applicable to the ABW program effective for dates of service on and after June 1, 2010.

Rebates For Physician Administered Drugs

The ABW program is required to collect drug rebates for physician administered drugs that are billed Fee-for-Service. Effective for dates of service on and after June 1, 2010, providers will be required to report the National Drug Code (NDC) and its corresponding information in addition to the procedure code billed for physician administered drugs on the professional and institutional claim formats.

Coverage of a physician administered drug is limited to a drug product from a manufacturer who has a signed rebate agreement with CMS. A current listing of the manufacturers who have signed rebate agreements with CMS can be found on the CMS website at www.cms.hhs.gov >> Medicaid >> Medicaid Drug Rebate Program >> Drug Company Contact Information. Providers are required to frequently check the CMS website for any changes.

Claim Editing

The NDC is a unique 11-digit identifier assigned to a drug product by the labeler/manufacturer under Federal Drug Administration (FDA) regulations. Claims submitted with invalid or missing NDC information or with NDCs from a drug manufacturer who does not have a signed rebate agreement with CMS will reject at the claim line. In the Community Health Automated Medicaid Processing System (CHAMPS), if the claim has one of these conditions on a service line CHAMPS will reject the claim line for the following reasons:

- The NDC reported is not valid.
- Healthcare Common Procedure Coding System (HCPCS) or Current Procedural Terminology (CPT) and NDC combination reported are invalid.
- The NDC reported is a non-rebatable NDC.
- The procedure code billed requires an NDC.

A rejected line on a claim will have these reason and remark codes:

- Claim Adjustment Reason Code 181 – Procedure code was invalid on the date of service
- Remittance Advice Reason Code M119 – Missing/incomplete/invalid National Drug Code

Outpatient Hospital Providers

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 HCPCS or CPT code, must also report its corresponding NDC and its supplemental information. A claim will reject if a procedure code has been reported and the NDC and its supplemental information is missing/invalid or non-rebatable.

Billing Specifications

The NDC information must be reported on Medicare crossover claims. Billing specifications for reporting the NDCs for the HCPCS/CPT codes follow the current procedures identified for the Medicaid program. For billing and reimbursement issues related to professional claims, refer to Section 6.4 of the Billing & Reimbursement for Professionals Chapter in the Medicaid Provider Manual. For billing and reimbursement issues related to institutional claims, refer to Section 6.12 in the Billing & Reimbursement for Institutional Providers Chapter in the Medicaid Provider Manual.

Tamper Resistant Prescription Pad Policy

Effective for dates of service on and after June 1, 2010, providers are required to follow the federal requirement of the tamper resistant prescription policy for the ABW program as defined in Section 11.5 of the Pharmacy Chapter in the Medicaid Provider Manual.

The Medicaid Provider Manual may be accessed on-line at www.michigan.gov/MDCH >> Medicaid Provider Manual.

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, include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

APPROVED

Stephen Fitton, Director
Medical Services Administration