

# National Drug Code Requirements UnitedHealthcare Commercial and UnitedHealthcare Medicare Advantage Professional and Hospital Outpatient Claims Frequently Asked Questions

## Key Points

- Our National Drug Code (NDC) Requirement reimbursement policy for UnitedHealthcare commercial and UnitedHealthcare Medicare Advantage member claims is applicable for professional (effective Jan. 1, 2017) and for hospital outpatient (effective Sept. 1, 2018) claims submitted for reimbursement for separately reimbursable drug-related Healthcare Common Procedure Coding System (HCPCS) and CPT® codes.
- These claims must include a valid NDC number, the quantity and a unit of measure.
- If a claim doesn't include the required, valid NDC information, we may deny your claim. You may have the opportunity to submit the claim for reconsideration with the appropriate NDC information.

## Overview

The UnitedHealthcare National Drug Code (NDC) reimbursement policy applies to facility outpatient and professional drug claims. This means that claims submitted for reimbursement for drug-related Healthcare Common Procedure Coding System (HCPCS) and CPT codes for UnitedHealthcare commercial and UnitedHealthcare Medicare Advantage members must include:

- A valid NDC number
- The quantity
- A unit of measure (UOM)

By requiring NDC numbers, we can differentiate and target drugs that share the same HCPCS code for drug preferences and rebates. We can also help reduce overall costs to the health care system. As the industry standard identifier for drugs, NDC numbers provide full transparency of the medication administered. They accurately identify the manufacturer, drug name, dosage, strength, package size and quantity.

## Frequently Asked Questions and Answers

### NDC Requirement Reimbursement Policy

**Q1. According to policy, is NDC information required for both professional and hospital outpatient drug claims?**

A1. Yes. We've updated our NDC requirement reimbursement policy to include both professional and hospital outpatient claims. You can read our reimbursement policies at [UHCprovider.com/policies](https://UHCprovider.com/policies) and choose Commercial Policies or Medicare Advantage Policies. The NDC requirement has been included in the Administrative Guide since 2011. The current Administrative Guide is at [UHCprovider.com/guides](https://UHCprovider.com/guides).

All other existing requirements for claims remain effective, including any applicable state-specific NDC requirements for Medicaid members.

**Q2. Does the NDC requirement apply to members who are dual eligible for both Medicare and Medicaid?**

A2. Yes. The Centers for Medicare & Medicaid Services (CMS) requires that the NDC number is included on claims for dual eligible members. UnitedHealthcare requires that the NDC information is submitted on Medicare Advantage claims to help ensure that it's captured if the member retroactively becomes dual eligible.

### Understanding the NDC

**Q3. Where is the NDC number located?**

A3. You'll find the NDC on the prescription drug label of the drug container (for instance, the vial, bottle or tube). The NDC number consists of 11 digits with hyphens separating the number into three segments in a 5-4-2 format. The first five digits identify the manufacturer of the drug and are assigned by the FDA. The remaining digits are assigned by the manufacturer and identify the specific product and package size. You have to use the actual valid NDC number on the container from which the medication was administered.

#### Adding Zeros

Sometimes, the NDC shown on the container label doesn't include 11 digits. When this happens, you'll have to add zeros to keep a 5-4-2 format.

XXXX-XXXX-XX = 0XXXX-XXXX-XX  
XXXXX-XXX-XX = XXXXX-0XXX-XX  
XXXXX-XXXX-X = XXXXX-XXXX-0X

In the following sample, the label shows 66733-948-23, which is 10 digits in a 5-3-2 format. The middle section needs another digit to make it 11 digits. You'll have to add a leading zero in that section: 66733-0948-23.



You'll use the 11-digit number without spaces or hyphens when you fill out your claim.

**Q4. Are the NDC units different from the HCPCS/CPT code units?**

A4. Yes. For claims that require NDC information, you'll use HCPCS codes and service units along with the NDC number and units. The units serve different purposes on the claim:

- HCPCS codes and service units are the basis for reimbursement.
- NDC units report the quantity of the drug administered to the patient.

**Q5. How do I report NDC units?**

A5. The actual decimal quantity administered and the unit of measurement (UOM) are both required on the claim. If reporting a partial unit, use a decimal point. If you dispense three .5 ml vials, you'd report ML1.5. Your quantity, with UOM, could look like this:

- GR0.045
- ML1.5
- UN2.0

**Entering the Quantity**

When entering the quantity amount, you have eight digits before the decimal and three digits after the decimal. If you enter a whole number, don't use decimals or commas. You don't have to fill every digit – leave blank instead of filling with zeros. For example:

- 1234.56
- 2
- 12345678.123

**Q6. What are the NDC units of measurement?**

A6. There are different acceptable units of measurements that you can use when billing with the NDC information. The appropriate one to use is based on the type of drug.

**NDC Unit of Measure (UOM)**

UOM	Description	Appropriate Use
F2	International unit	International units will mainly be used when billing for Factor VIII-Antihemophilic Factors
GR	Gram	Grams are usually used when an ointment, cream, inhaler, or bulk powder in a jar are dispensed. This unit of measure will primarily be used in the retail pharmacy setting and not for physician-administered drug billing.
ML	Milliliter	If a drug is supplied in a vial in liquid form, bill in milliliters.
UN	Unit	If a drug is supplied in a vial in powder form, and must be reconstituted before administration, bill each vial (unit/each) used.

*Note: ME is also a valid unit of measure, but we recommend using the more appropriate UN or ML UOM, as this is generally how drugs are priced.*

**Q7. What if there are multiple NDCs administered for the same HCPCS code?**

A7. You may have multiple NDCs when you administer multiple drug strengths to a patient or when a drug is comprised of more than one ingredient. Submit each NDC number as a separate claim line with the appropriate HCPCS or CPT drug code.

Standard HCPCS or CPT code billing accepts the use of the following modifiers to determine when more than one NDC is billed for a service code.

### **Paper Claim**

- KP: First drug of a multiple drug unit dose formulation
- KQ: Second or subsequent drug of a multiple drug unit dose formulation

### **Electronic Claim**

The compound drug should be reported by repeating the LIN and the CPT segments in the 2410 identification loop.

#### **Q8. If the medication comes in a box with multiple vials, should I use the NDC number on the box or the NDC number on the individual vial?**

A8. You'll use the NDC information from the vial that was administered to the member. This includes the NDC number and the quantity administered with the unit of measurement.

There are exceptions when drug manufacturers don't provide pricing at the individual vial level. Generally, only NDC numbers with available pricing are considered valid. In these instances, you should bill using the NDC information from the outside packaging and include the correct units administered. When missing vial level NDC's are identified we add these exceptions to our validation tables so your claims will process accurately.

#### **Q9. If the medication comes in a box with two different drugs that are mixed, should I use the NDC number on the box?**

A9. Yes. The NDC number from the outer box is required when different drugs from the package are mixed.

#### **Q10. Where can I find more information about NDC?**

A10. You can find more information about NDC online:

- The U.S. Food and Drug Administration (FDA) package insert includes the NDC information. Online, the FDA publishes an online searchable [National Drug Code Directory](#) and has other public resources.
- The Centers for Medicare & Medicaid Services (CMS) publishes a [CMS HCPCS/NDC Crosswalk](#).
- The National Uniform Claim Committee includes NDC billing instructions with their [1500 Claim Form Reference Instruction Manual](#).
- Resources available to purchase from vendors include, but aren't limited to:
  - [RJ Health Systems' reimbursementcodes.com](#), an NDC coding product
  - [Optum360's drugreimbursement.com](#) which includes NDC coding

### **Submitting Claims with NDC Information**

#### **Q11. What's included in the required NDC information?**

A11. When you're submitting a claim with NDC information, you must include:

- The valid 11-digit NDC number
- The quantity of NDC units that were dispensed (must be greater than 0); see Q5 for more information
- The appropriate NDC unit of measure; see Q6 for more information

**Q12. Is NDC information required on claims for all drug-related billing codes?**

A12. It's required for most commonly used codes. You're required to include the NDC information in claims that include the following drug codes:

- J codes, including miscellaneous and unlisted drug codes
- Drug-related CPT codes, including miscellaneous and unlisted drug codes
- Drug-related Q codes, including miscellaneous and unlisted drug codes
- Drug-related S codes, including miscellaneous and unlisted drug codes
- Drug-related A codes, including miscellaneous and unlisted drug codes, and radiopharmaceuticals

**Out of Scope**

We won't enforce the NDC requirement for G codes and P codes. NDC numbers won't be required for routine childhood and adult immunization drug codes as defined by the Centers for Disease Control and Prevention (CDC).

**Q13. Do I have to bill with all of the NDC information in addition to HCPCS or CPT codes?**

A13. Yes. Complete NDC information must be submitted on the claim in addition to the applicable HCPCS or CPT codes and the number of HCPCS or CPT units.

You'll continue to need the valid HCPCS or CPT code with units of service on the claim because claims are priced based on HCPCS or CPT codes and the units of service. If the NDC number on the claim doesn't have a specific HCPCS or CPT code assigned to it, please assign the appropriate miscellaneous code.

**NDC-Contracted Care Providers**

Participating care providers who are contracted to be reimbursed based on NDC should continue to follow the billing procedures listed in the [National Drug Codes Claim Submission & Inquiry Procedures](#).

**Q14. Do claims for drugs billed through a hospital outpatient department require NDC information?**

A14. Yes. Starting with dates of service on Sept. 1, 2018, the NDC information is required for separately reimbursable drugs submitted for reimbursement on hospital outpatient claims.

**Q15. How do I submit a claim that includes the NDC number, unit of measure and quantity?**

A15. To submit a claim with the NDC code, unit of measure and the quantity, here are instructions for submitting paper claims and submitting claims electronically. You can find more information about submitting claims at [UHCprovider.com/claims](http://UHCprovider.com/claims).

**Submitting Paper Claims**

Using the CMS 1500 form, enter the NDC information in field 24. There are six service lines in field 24 with shaded areas. Place the NDC information in the line's top shaded part.

24. A. DATE(S) OF SERVICE						B.	C.	D. PROCEDURES, SERVICES, OR SUPPLIES			E.	F.		G.	H.	I.	J.
From To						PLACE OF SERVICE	EMG	(Explain Unusual Circumstances)			DIAGNOSIS POINTER	\$ CHARGES		DAYS OR UNITS	EPICIT Family Plan	ID. QUAL.	RENDERING PROVIDER ID. #
MM	DD	YY	MM	DD	YY			CPT/HCPCS		MODIFIER							
N459148001665 UN1								J0400			A	500	00	1	N	G2	12345678901
10	01	05	10	01	05	11									NPI	0123456789	

When you're entering the supplemental NDC information for the NDC, add it in the following order:

- "N4" qualifier
- 11-digit NDC code
- Add one space
- Two-character unit of measure and the quantity; see Q5 and Q6 for more information

Using the UB 04 form, fill out the following fields:

- Field 42: Include the appropriate revenue code
- Field 43: Include the 11-digit NDC code, unit of measurement and quantity
- Field 44: Include the HCPCS code

### EDI Requirements for Professional (837p) and Institutional (837i) Claims

You can find more information about submitting claims using Electronic Data Interchange (EDI), go to [UHCprovider.com/edi](http://UHCprovider.com/edi). When you submit electronically, include:

Loop	Segment	Element Name	Information	
2410	LIN	02	Product or Service ID Qualifier	If billing for an NDC, enter "N4".
2410	LIN	03	Product or Service ID	If billing for drugs, include the 11-digit NDC. Sample: LIN**N4*12345678901
2410	CTP	04	Quantity	If an NDC was submitted in LIN03, include the administered NDC quantity. See Q5 for unit information.
2410	CTP	05-1	Unit or Basis for Measurement Code	If an NDC was submitted in LIN03, include the unit or basis for measurement code for the NDC billed. See Q6 for unit information. Sample: CTP***3*UN
2410	REF	01	VY: Link Sequence Number XZ: Prescription Number	The Link Sequence Number is used to report components for compound drug.
2410	REF	02	Link Sequence Number or Prescription	Sample: REF01*VY*123456

### Q16. Will claims with NDC information be subject to any additional clinical edits?

A16. Yes. The following claims edits will still be applied during processing:

- NDC and HCPCS verification edits identify potentially incorrect billing when the NDC number and HCPCS codes don't match.
- NDC max unit edits target drugs that have specific strengths where the claim exceeds the expected number of units.
- Inactive NDC number edits look for inactive or obsolete drugs.

**Q17. Can a care provider resubmit a claim if a drug claim line is initially rejected because it doesn't include the correct NDC information?**

A17. Yes. You can resubmit that claim with complete NDC information within the timely filing guidelines when:

- A claim line is pended or closed because you didn't include complete NDC information.
- A claim line is denied when the NDC information is invalid or doesn't match the accompanying HCPCS or CPT code.

You can find more information and instructions at [UHCprovider.com/claims](https://UHCprovider.com/claims) > Submit a Corrected Claim, Claim Reconsideration/Begin Appeal Process.

**Q18. Who can I contact if I have questions?**

A18. Please contact your [Network Management representative](#) or call the Provider Services number on the member's ID card. Thank you.

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