IMPORTANT NOTE ABOUT THIS REIMBURSEMENT POLICY

This policy is applicable to UnitedHealthcare Medicare Advantage Plans offered by UnitedHealthcare and its affiliates.

You are responsible for submission of accurate claims. This reimbursement policy is intended to ensure that you are reimbursed based on the code or codes that correctly describe the health care services provided. UnitedHealthcare Medicare Advantage reimbursement policies use Current Procedural Terminology (CPT®), Centers for Medicare and Medicaid Services (CMS), or other coding guidelines. References to CPT or other sources are for definitional purposes only and do not imply any right to reimbursement.

This reimbursement policy applies to all health care services billed on CMS 1500 forms and, when specified, to those billed on UB04 forms (CMS 1450). Coding methodology, industry-standard reimbursement logic, regulatory requirements, benefits design and other factors are considered in developing reimbursement policy.

This information is intended to serve only as a general resource regarding UnitedHealthcare's Medicare Advantage reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, UnitedHealthcare Medicare Advantage may use reasonable discretion in interpreting and applying this policy to health care services provided in a particular case. Further, the policy does not address all issues related to reimbursement for health care services provided to UnitedHealthcare Medicare Advantage enrollees. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to: legislative mandates, the physician or other provider contracts, and/or the enrollee's benefit coverage documents**. Finally, this policy may not be implemented exactly the same way on the different electronic claims processing systems used by UnitedHealthcare Medicare Advantage due to programming or other constraints; however, UnitedHealthcare Medicare Advantage strives to minimize these variations.

UnitedHealthcare Medicare Advantage may modify this reimbursement policy at any time to comply with changes in CMS policy and other national standard coding guidelines by publishing a new version of the reimbursement policy on this website. However, the information presented in this reimbursement policy is accurate and current as of the date of publication. UnitedHealthcare Medicare Advantage encourages physicians and other health care professionals to keep current with any CMS policy changes and/or billing requirements by referring to the CMS or your local carrier website regularly. Physicians and other health care professionals can sign up for regular distributions for policy or regulatory changes directly from CMS and/or your local carrier. UnitedHealthcare's Medicare Advantage reimbursement policies do not include notations regarding prior authorization requirements.

*CPT Copyright American Medical Association. All rights reserved. CPT® is a registered trademark of the American Medical Association.

** For more information on a specific enrollee's benefit coverage, please call the customer service number on the back of the member ID card.

Application

This reimbursement policy applies to services reported using the 1500 Health Insurance Claim Form (a/k/a CMS-1500), the 837 professional transaction, UB-04 Claim Form, the 837I facility transaction, or any successor form. This policy applies to all products, all network and non-network physicians and other qualified health care professionals, including, but not limited to, non-network authorized and percent of charge contract physicians and other qualified health care professionals.
Policy

Overview

This policy describes the National Drug Code information that is required on professional and facility drug claims that are reported for reimbursement.

National Drug Code (NDC) numbers are the industry standard identifier for drugs and provide full transparency to the medication administered. The NDC number identifies the manufacturer, drug name, dosage, strength, package size and quantity.

For purposes of this policy, a valid NDC number, NDC unit of measure, and NDC units dispensed for the drug administered will be required for reimbursement of professional drug claims on a 1500 Health Insurance Claim Form (a/k/a CMS-1500) or the 837 professional transaction.

A valid NDC number, NDC unit of measure and NDC units dispensed for unlisted drugs administered will be required for reimbursement of drug claims on a UB-04 Claim Form or the 837i facility

Reimbursement Guidelines

The NDC is a unique numeric identifier assigned to medications listed under Section 510 of the United States Federal Food, Drug and Cosmetic Act. The 11-digit NDC is separated into three segments in a 5-4-2 format. They are as follows:

- The first five digits identify the manufacturer of the drug and are assigned by the Food and Drug Administration (FDA)
- The remaining 6 digits are assigned by the manufacturer and identify the specific product and package size

Sometimes the NDC on the label does not include the 11 digits. If this occurs, it will be necessary to add a leading zero to the appropriate section to create a 5-4-2 configuration (i.e. 66733-0948-23 in the following sample). A valid NDC without spaces or hyphens should be placed on the medical claim. The NDC submitted must be the actual valid NDC number on the container from which the medication was administered.

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

NDC Unit of Measure (UOM)

<table>
<thead>
<tr>
<th>UOM</th>
<th>Description</th>
<th>General Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2</td>
<td>International unit</td>
<td>International units will mainly be used when billing for Factor.</td>
</tr>
<tr>
<td>GR</td>
<td>Gram</td>
<td>Grains 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.</td>
</tr>
<tr>
<td>ML</td>
<td>Milliliter</td>
<td>If a drug is supplied in a vial in liquid form, bill in milliliters.</td>
</tr>
<tr>
<td>UN</td>
<td>Unit</td>
<td>If a drug is supplied in a vial in powder form, and must be reconstituted before administration, bill each vial (unit/each) used.</td>
</tr>
</tbody>
</table>

NDC Units Dispensed

The actual decimal quantity administered and the units of measurement are required on the claim. If reporting a partial unit, use a decimal point (i.e. if three 0.5 ml vials are dispensed, report LM 1/5).
The number of digits for the quantity is limited to eight digits before the decimal and three digits after the decimal. If entering a whole number, do not use a decimal. Do not use commas. Do not zero fill, leave remaining positions blank. Please refer to the following examples:

- 1234.56
- 2
- 12345678.123

Requiring the NDC information will differentiate drugs that share the same HCPCS code for drug preferences, allow the ability to identify billing errors and improve reimbursement processes.

If the NDC is missing, invalid or incomplete the claim may be denied. If the claim is denied, then it can be resubmitted with the appropriate NDC information for reconsideration of reimbursement.

### Questions and Answers

<table>
<thead>
<tr>
<th>No.</th>
<th>Q:</th>
<th>A:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Do I have to bill the NDC information in addition to HCPCS/CPT codes?</td>
<td>Yes, the NDC information must be submitted in addition to the applicable HCPCS or CPT code(s) and the number of HCPCS/CPT units.</td>
</tr>
<tr>
<td>2</td>
<td>Are the NDC units dispensed different from the HCPCS/CPT code units?</td>
<td>Yes. The units submitted for HCPCS/CPT codes are based on the HCPCS/CPT code description. The NDC units dispensed are based upon the numeric quantity administered to the patient and the NDC unit of measure.</td>
</tr>
<tr>
<td>3</td>
<td>If the medication comes in a box with multiple vials, should I use the NDC number on the box or the NDC number of the individual vial?</td>
<td>The NDC required is from the vial that was administered to the member along with the appropriate NDC unit of measure and NDC quantity administered.</td>
</tr>
</tbody>
</table>

### Resources

- Centers for Medicare and Medicaid Services, CMS Manual System and other CMS publications and services
- US Food and Drug Administration (FDA) National Drug Code Directory
- United States Federal Food, Drug and Cosmetic Act
- Deficit Reduction Act of 2005
<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/01/2019</td>
<td>Policy Verbiage Change. Sections: Overview, Reimbursement Guidelines and Definition</td>
</tr>
</tbody>
</table>
| 09/01/2018 – 01/31/2019 | Policy Verbiage Change  
Sections: Application, Overview, and Reimbursement Guidelines, Added UB04 and 837i Facility transactions |
| 1/1/2017    | Policy implemented by UnitedHealthcare Medicare Advantage                   |
| 9/13/2016   | Policy approved by the Payment Policy Oversight Committee                    |