

**DHMH**

Maryland Department of Health and Mental Hygiene
201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – John M. Colmers, Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM
General Provider Transmittal No. 64
November 8, 2007

- TO:** Family Planning Clinics, General Clinics, Nurse Anesthetists, Nurse Practitioners, Nurse Midwives, Physicians, Podiatrists
- FROM:** Susan J. Tucker, Executive Director, Office of Health Services
Charles Lehman, Executive Director, Office of Operations and Pharmacy
- NOTE:** Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.
- RE:** Effective January 1, 2008 National Drug Code/Quantity Required When Billing for Drugs—Provider Reimbursement Will Be Affected

Federal regulations require States to collect National Drug Code (NDC) numbers from providers for the purpose of billing manufacturers for drug rebates. Starting January 1, 2008, the federal government will require most physician-administered drugs to be part of the federal rebate program in order to be reimbursed by Medicaid. This does not include physician-administered drugs for inpatient services, immunizations, and radiopharmaceuticals. Effective January 1, 2008:

The Maryland Medical Assistance Program will **not** reimburse providers for drugs obtained from companies that do not participate in the Medicaid Drug Rebate Program. Currently 550 pharmaceutical companies participate in the Medicaid Drug Rebate Program. The list of participating manufacturers can be found on the Centers for Medicare and Medicaid Services (CMS) web site at www.cms.hhs.gov/medicaiddrugrebateprogram.

2. The Maryland Medical Assistance Program will **not** reimburse providers for drugs unless a valid 11-digit NDC number and the quantity administered are reported on the CMS-1500.

Reporting the NDC/quantity will be required when billing for drugs using the J-code HCPCS. The NDC/quantity will also be required when billing with unlisted J-codes (J3490 and J9999). **The NDC number reported must be the actual NDC number on the package or container from which the medication was administered.** It may also be necessary to pad NDC numbers with left-adjusted zeroes in order to report eleven digits. For example, the NDC from the label may appear as 12345-678-90. Using the “5-4-2” format, it should be reported as 12345-0678-90. Or the NDC from the label may appear as 12345-0678-9. It should be reported as 12345-0678-09. The NDC reporting requirements for physician-administered drugs also extend to claims when Medicaid is not the primary payer but is the secondary or tertiary payer.

Billing Instructions for CMS-1500: Box 24

1. Supplemental information can only be entered with a corresponding, completed service line. The top area of the six service lines is shaded and is the location for reporting supplemental information, such as NDCs for drugs. The shaded areas of lines 1 through 6 allow for the entry of 61 characters from the beginning of 24A to the end of 24G.
2. The National Drug Code (NDC) qualifier N4 is to be used when reporting the NDC for drugs. To enter supplemental NDC information in Item Number 24, begin at 24A by entering the qualifier N4 and then the 11-digit NDC number. Do not enter a space between the qualifier and the NDC number. Do not enter hyphens or spaces within the NDC number.
3. Without skipping a space enter the applicable unit of measurement qualifier followed immediately by the numeric quantity administered to the patient. Units refer to the number of units as defined in the Healthcare Common Procedure Coding System (HCPCS) coding manual. The following unit of measurement qualifiers are used when reporting NDC units:
F2 International Unit
GR Gram
ML Milliliter
UN Units

Example: NDC/Quantity Reporting

<u>24. A. DATE(S) OF SERVICE</u>	<u>D. PROCEDURES, SERVICES</u>	<u>G. DAYS OR UNITS</u>
MM DD YY MM DD YY	CPT/HCPCS	
N400009737604UN1		
01 01 08 01 01 08	J1055	1

4. More than one NDC can be reported in the shaded lines of Box 24. Enter the first NDC qualifier, NDC number, unit qualifier and quantity at 24 A. Skip three spaces after the first item and enter the next NDC qualifier, NDC number, unit qualifier and quantity. This may be necessary when multiple vials of the same drug are administered with different dosages and NDCs.

Questions concerning this transmittal can be directed to the staff specialist for Physicians' Services at (410) 761-1722.

NOTE: If you have not applied for your National Provider Identifier (NPI), please do it now and report it to us. You should be using the NPI as the primary identifier when billing Maryland Medicaid.