National Drug Code (NDC) Requirement Policy, Professional and Facility for Louisiana

IMPORTANT NOTE ABOUT THIS REIMBURSEMENT POLICY

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 Community Plan reimbursement policies uses 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. 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 reference resource regarding UnitedHealthcare Community Plan's reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, UnitedHealthcare Community Plan 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 Community Plan enrollees.

Other factors affecting reimbursement supplement, modify or, in some cases, supersede this policy. These factors include, but are not limited to: federal &/or state regulatory requirements, the physician or other provider contracts, the enrollee's benefit coverage documents, and/or other reimbursement, medical or drug policies.

Finally, this policy may not be implemented exactly the same way on the different electronic claims processing systems used by UnitedHealthcare Community Plan due to programming or other constraints; however, UnitedHealthcare Community Plan strives to minimize these variations.

UnitedHealthcare Community Plan may modify this reimbursement policy at any time by publishing a new version of the policy on this Website. However, the information presented in this policy is accurate and current as of the date of publication.

Application

This reimbursement policy applies to UnitedHealthcare Community Plan Medicaid and Medicare products.
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 drug claims and hospital outpatient facility 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 and hospital outpatient facility drug claims on a UB-04 form or 837 I institutional transaction.

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)

UOM	Description	General Guidelines
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 millimeters.
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.

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 vials are dispensed.

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

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/CPT codes for drug preferences and enhance reimbursement processes.

The NDC requirement will not apply to child and adult immunization drug codes.

If the NDC information is missing, invalid, incomplete, or does not match the HCPCS or CPT submitted, the claim may be denied. If the claim is denied, it can be resubmitted with the appropriate NDC information for reconsideration of reimbursement.

Maximum Units per Package

Units submitted for a drug should not exceed the package maximum units available based on the NDC number or in increments associated with the drug package. Maximum units will be applied for specific drugs where a specific and standard number of units should be submitted per the NDC of the package.

When units submitted exceed the maximum units allowed per package or when units submitted are not in increments of the package, the units over the maximum unit will be denied.

Attachments	
NDC Numbers for Packaged Drugs with Maximum Units	This list contains NDC Numbers for packaged drugs and their maximum units.

Questions and Answers	
1	Q: Do I have to bill the NDC information in addition to the HCPCS, CPT or Revenue codes? A: Yes, the NDC information must be submitted in addition to the applicable HCPCS, ~~or~~ CPT or Revenue code(s) and the number of HCPCS, CPT or Revenue code units
2	Q: Are the NDC units dispensed different from the HCPCS, CPT, and Revenue code units? A: Yes. The units submitted for HCPCS, CPT and Revenue codes are based on the HCPCS, CPT and Revenue code description. The NDC units dispensed are based upon the numeric quantity administered to the patient and the NDC unit of measure.
3	Q: 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? A: 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.

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

History

11/03/2024	Policy Version Change Attachments Section: NDC Numbers for Packaged Drugs with Maximum Units List Updated State Exceptions Section: Louisiana removed Policy Overview Section: updated Q & A section: updated
2/25/2024	Policy Version Change Logo Updated
2/15/2021	Removed reference to other state exceptions
1/25/2019	Version Change: Definitions section deleted
1/1/2019	Annual Policy Version Change
11/14/2018	Policy Approval Date Changed (No new version)
7/01/2018	State Exceptions Section: Corrected MI state exception verbiage to read Michigan instead of Missouri
3/22/2018	Updated policy to include hospital outpatient facility NDC editing information, State Exceptions Section: Added CA and MO as exceptions to hospital outpatient facility NDC editing, updated AZ to include exception to hospital outpatient facility NDC editing, added “Valid NDC number not required” for the following states: CA, HI, KS, LA, MA, MD, MI, MO, NM, NY, PA, TX, VA.
2/22/2018	State Exceptions Section: Removed Washington as exception as a valid NDC number is required for vaccines
1/1/2018	Policy Overview Section: Removed valid NDC numbers are not required for vaccines State Exceptions Section: Added exceptions for Mississippi, New Jersey, Florida, Washington, Wisconsin, Tennessee, and Nebraska, for exclusion of valid NDC numbers for vaccine codes Annual Policy Version Change
5/1/2017	Policy implemented by UnitedHealthcare Community & State State Exceptions Section: Added exception for Arizona Medicaid
12/14/2016	Policy approved by the Payment Policy Oversight Committee