

Medical Drugs Claims Requirements—NDC Information

Molina Healthcare of Utah Medicaid has aligned with Utah Medicaid to require NDC level information for all provider administered drug claims as part of the **new PRISM system claim requirements** from the Utah Department of Health and Human Services. These NDC requirements also align with the Centers for Medicare & Medicaid Services (CMS) **National Correct Coding Initiative (NCCI)** to reduce improper coding, improve the accuracy & transparency of drugs administered, and improve patient safety.

Providers will need to **submit claims with both Health Care Common Procedure Coding System (HCPCS) and National Drug Code (NDC)** with the exact NDC that appears on the medication packaging in the 5-4-2 digit format (ex: xxxxx-xxxx-xx), as well as the NDC unit of measure and quantity of NDC units.

- These requirements apply to all professional and outpatient claims when submitted on the CMS-1500 and UB-04 claim forms, or the equivalent electronic transactions.
- **Billing with an NDC other than the drug NDC administered to the patient, such as from a reference file (ex: Redbook), is considered fraudulent billing.**

The National Drug Code (NDC) is a unique 11-digit numeric identifier assigned to medications under Section 510 of the United States Federal Food, Drug, and Cosmetic Act. This 11-digit NDC is structured as 5-4-2 segments:

- The first 5 digits represent the drug manufacturer and are assigned by the FDA
- The remaining 6 digits, assigned by the manufacturer, specify the product and package size.
- Please see below guidance for how to convert a 10-digit NDC to an 11-digit NDC when the drug label lacks a leading zero to create the 5-4-2 segment:

10-Digit National Drug Code (NDC)

When the package of a drug only includes a 10-digit NDC number, the 10 digits must be converted to 11 digits by adding a leading zero to only one segment as indicated below:

If the first segment contains only four digits, add a leading zero to the segment Ex. 09999-9999-99	If the second segment contains only three digits, add a leading zero to the segment Ex. 99999-0999-99	If the third segment contains only one digit, add a leading zero to the segment Ex. 99999-9999-09
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- **Please ensure that the NDC submitted on the medical claims does not contain spaces or hyphens.**

The NDC container label also gives the required NDC **unit of measure (UOM)** for that drug.

NDC Unit of Measure (UOM)

UOM	Description	General Guidelines
F2	International unit	International units will 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 is 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

Note: While 'ME' is a valid unit of measure, we recommend using the appropriate 'UN' (unit) or 'ML' (milliliter) indicator, as this aligns with the standard pricing conventions for drugs.

Medical drug claims must also indicate the **quantity of NDC units administered**. If reporting a fraction of a unit, up to three digits after the decimal point may be entered. Please do not include decimals when reporting whole numbers.

- Failure to include the appropriate number in the NDC units field may lead to incorrect payments.
- The quantity of units specified for a medication should not surpass the maximum units indicated by the NDC number or the increments specified by the drug's packaging.

Claim Submission Requirements

Bill using UB-04 and CMS-1500 paper claim forms:

Form type	Form locator	Format
UB-04	FL43	N4 + NDC + UOM + quantity Example: N4555103026710ML5.5 You must use the decimal point if reporting a fraction of a unit.
CMS-1500	FL24 <i>(Shaded line)</i>	N4 + NDC + 3 spaces + UOM + quantity Example: N4555103026710 ML5. You must use the decimal point if reporting a fraction of a unit.

Bill using 837I and 837P EDI (Electronic Data Interchange) transactions:

Data element	Loop	Segment/element	Information
Product or Service ID Qualifier	2410	LIN02	If billing for an NDC, enter "N4"

NDC		LIN03	If billing for drugs, include the 11-Digit NDC
UOM (Unit of measurement)		CTP05-01	
Unit price		CTP03	
Quantity		CTP04	If an NDC was submitted in LIN03, include the administered NDC quantity.
Note: The NDC unit price in CTP03 is required to complete the 837 requirements for Loop 2410.			

The following claims **revenue codes require the above NDC information:**

- 0250
- 0251
- 0252
- 0253
- 0254
- 0255
- 0256
- 0257
- 0258
- 0259
- 0634
- 0635
- 0636

For Medical drug claims **where the NDC information is absent, incorrect, incomplete, or incompatible with the HCPCS or CPT information submitted, the claim may be denied.** Should a medical drug claim be denied for any of these reasons, it **can be resubmitted with accurate NDC information** for reconsideration of reimbursement.

Any questions regarding this notification, please call Molina Healthcare at (855) 322-4081

The Special Provider Bulletin is a newsletter distributed to all network providers serving beneficiaries of Molina Healthcare of Utah health care plans.

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