

Articles 1 & 2 sent via ListServ to IHS/638 providers on 06/02/2016

Articles 3 & 4 sent via ListServ to IHS/638 providers on 06/03/2016

1st of 4 Articles

National Drug Code (NDC) on IHS/638 UB-04 outpatient pharmacy claims

UB-04 revenue code 0519 is ONLY used when billing AHCCCS covered pharmacy services at the AIR.

The IHS/Tribal Billing Manual, Chapter 9 Hospital and Clinic Services and Chapter 10 Pharmacy states:

Claims for Title XIX recipients should be submitted to the AHCCCS Administration on the UB-04 claim form (or 837I for electronic claims) or submitted via the AHCCCS website.

- Use revenue code 519 (Other Clinic).
- Use bill type 131 (Hospital outpatient, admit through discharge) or 711 (Clinic, rural health, admit through discharge).

Revenue code 0519 is not to be billed for any other clinic service other than outpatient pharmacy visit.

Effective with date of service 7/1/2016, all pharmacy claims billed on UB-04 with revenue code 0519 must be billed with the NDCs for all medication, vaccines and for the limited diabetic supplies billable.

(See IHS/Tribal Billing Manual Chapter 10 Pharmacy Services, section "Pharmacy Coverage Limitations" on page 10-3 for the limited diabetic supplies)

The pharmacy visit daily limit is one pharmacy visit per date of service, per recipient, regardless of how many pharmacy services are performed.

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What is an NDC? 2nd of 4 Articles

National Drug Code (NDC) on IHS/638 UB-04 outpatient pharmacy claims

Effective with date of service 7/1/2016, all pharmacy claims billed on UB-04 with revenue code 0519 must be billed with the NDCs for all medication, vaccines and for the limited diabetic supplies billable.

NDC Definition

The National Drug Code (NDC) is the number which identifies a drug, vaccine, or one of the limited diabetic supplies billable.

The NDC number consists of 11 digits in a 5-4-2 format. The first 5 digits identify the labeler code representing the manufacturer and are assigned by the Food and Drug Administration (FDA).

The next 4 digits identify the specific drug product and are assigned by the manufacturer.

The last 2 digits define the product package size and are also assigned by the manufacturer.

Some packages will display less than 11 digits, but leading "0's" can be assumed and must be used when billing.

For example:

XXXX-XXXX-XX = 0XXXX-XXXX-XX

XXXXX-XXX-XX = XXXXX-0XXX-XX

XXXXX-XXXX-X = XXXXX-XXXX-0X

The NDC is found on the container, i.e. box, vial, bottle, tube. The NDC submitted on the IHS/638 UB-04 claim must be the actual NDC number on the package or container from which the medication was administered. Claims may **not** be submitted for one manufacturer when a different manufacturer's product was administered. It is considered a fraudulent billing practice to bill using an NDC other than the one assigned to the drug administered.

NDC quantities

NDC units are based on the numeric quantity administered to the patient and the unit of measurement. The actual metric decimal administered and the unit of measurement is required for billing. If reporting a fraction, use a decimal point.

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The NDC units of measurement codes are as follows:

- **F2** = International Unit
- **GR** = gram – usually for products such as ointments, creams, inhalers, or bulk
This unit of measure is typically used in the retail pharmacy setting.
- **ML** = milliliter – for drugs that come in vials which are liquid form
- **UN** = Unit (each) – for unit of use preparations, generally those that must be reconstituted prior to administration

The AHCCCS Pharmacy web page has more information about the NDC requirements as well as the AHCCCS Drug Lists:

<https://www.azahcccs.gov/PlansProviders/Pharmacy>

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NDCs: 3rd of 4 Articles
IHS/638 UB-04 Outpatient Pharmacy Claims For
Anti-coagulant Therapy Management

Anti-coagulant Therapy Management as a pharmacy service does not have an NDC.

AHCCCS has identified ICD-10 diagnosis codes appropriate when billing for this service:

- D6859 Other primary thrombophilia
- D6861 Antiphospholipid syndrome
- D689 Coagulation defect, unspecified
- D696 Thrombocytopenia, unspecified
- Z5181 Encounter for therapeutic drug level monitoring
- Z7901 Long term (current) use of anticoagulants

These ICD-10 diagnosis codes, when billed for revenue code 0519 specifically for the anti-coagulant therapy, will allow the pharmacy claim to pay the AIR without an NDC when no other covered pharmacy services are billed.

Billing anti-coagulant therapy management pharmacy service

If other covered pharmacy services are also billed for the same DOS then the anti-coag service must be the last line billed on the UB-04 with revenue code 0519.

Be advised that AHCCCS will be conducting audits and will deny/recoup the claim if the pharmacy records do not support the anti-coagulant therapy management as billed.

The pharmacy visit daily limit is one pharmacy visit per date of service, per recipient, regardless of how many pharmacy services are performed.

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Billing with NDCs – 4th of 4 Articles

To accommodate the IHS/638 accounting, AHCCCS does not require that each line billed NDC line be billed with the AIR. The AIR **must be billed on the 1st revenue code line** and subsequent revenue code lines with NDCs can be billed with \$ 0.00 to avoid inflating the total AIR for the outpatient pharmacy claim. (see example below)

If the IHS or 638 facility is billing the AIR on only the first line the following billing instructions **must** be followed:

- The first revenue code line of the pharmacy UB-04 **must** be a covered pharmacy service and
- **Must** be a valid NDC and must bill one unit for the AIR

If the first line billed with AIR is an invalid NDC the claim will **deny**.

If the first line billed with AIR is not a covered service the claim will **deny**.

To avoid a **denial** the first line billed with the AIR **must** be a valid NDC **and** an AHCCCS covered pharmacy service.

For example, for date of service 7/1/2016:

first line billed is the NDC for Viagra with one unit for the AIR	368.00
the second line is the NDC for amoxicillin and one unit for	0.00
the third line is the NDC for aspirin 81 mg and one unit for	0.00

This claim will deny, as the first line billed is not a covered service.

To avoid the claim denial: the NDC for amoxicillin OR the aspirin should be billed on the first line with one unit and the AIR.

When the NDC billing information is missing or invalid and the claim is denied a corrected claim must be submitted within the timely filing limit.

If a member is eligible for Medicare Part D, then:

- the first revenue code line of the pharmacy UB-04 **MUST** be a covered pharmacy service and
- **MUST** be a valid NDC and must bill one unit for the AIR

Refer to the AHCCCS Dual Eligible Member's Drug List for the limited medications that are billable when the member is eligible for Medicare Part D, available on the AHCCCS Pharmacy web page at:

<https://www.azahcccs.gov/Resources/Downloads/PharmacyUpdates/AHCCCSDualFormulary.pdf>

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Billing on the paper UB04 claim form:

To report the NDC on the UB04 claim form, enter the following information into the Form Locator field 43 (Revenue Code Description) as follows:

- First 2 positions - The NDC Qualifier N4
- Next 11 positions – the NDC 11-digit numeric code, without hyphens
- Next 2 positions - NDC Unit of Measurement Qualifier (as listed in Article 2)
- Then the NDC quantity, administered amount, with up to three decimal places (i.e. 1234.567)
- Any unused spaces in this field are left blank

Do not enter any delimiters, such as commas, hyphens or spaces between these data positions.

UB Form Locator field 43 is 24 characters in length.

In UB Form Locator field 46 bill one unit on the first line of the UB04 claim and bill one unit on any subsequent lines.

Refer to the IHS/Tribal Billing Manual, Chapter 5 Claim Form Requirements, pages 13 and 14 for NDC billing examples and details.

For **837 billing instructions**, see the 837 FFS Claims Companion Guide at:

https://www.azahcccs.gov/Resources/Downloads/EDIchanges/AZ837FFS_CG_v01_201106_DRAFT.pdf

AHCCCS strongly recommends sending test claim files **prior to** submitting “live” claims. See the web page at <https://www.azahcccs.gov/Resources/EDI/EDITesting.html>

DFSM has scheduled a training session for billing NDCs using the AHCCCS Online **web portal** for Thursday, June 9th from 1:00 – 3:00. A ListServ notice for this training will be sent in the next few days. An additional web portal training session may be added but is not scheduled at this time.

The **web portal** training guide will be updated with the NDC instructions and will be available at

<https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/technicalassistance.html>