National Drug Code (NDC)
How to submit your pharmacy claims using the NDC codes. (IHS/638 Providers only)

January 12, 2017
3rd Floor, Gold Room
1:30 p.m. - 3:30 p.m.
NDC Definition

The National Drug Code (NDC) is the number which identifies a drug. The NDC number consists of 11 digits, broken into 3 sections in a 5-4-2 format.

- The first 5 digits identify the labeler code representing the manufacturer of the drug 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.
NDC Billing Format

There will be times when the NDC code will be less than 11 digits. In this case, add a leading zero (0) to the beginning section of the missing digit when billing using the NDC code.

<table>
<thead>
<tr>
<th></th>
<th>&lt; 11 digits</th>
<th>Labeler code</th>
<th>Drug Product</th>
<th>Product Package</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example 1</td>
<td>2345-1234-12</td>
<td>02345</td>
<td>1234</td>
<td>12</td>
</tr>
<tr>
<td>Example 2</td>
<td>12345-234-12</td>
<td>12345</td>
<td>0234</td>
<td>12</td>
</tr>
<tr>
<td>Example 3</td>
<td>12345-1234-2</td>
<td>12345</td>
<td>1234</td>
<td>02</td>
</tr>
</tbody>
</table>
Where can the NDC code be found?

The NDC code is found on the drug container, i.e. vial, bottle, tube. The NDC code used during billing must be the actual NDC code numbers 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.

AHCCCS Pharmacy Information can be found at the following link:
https://www.azahcccs.gov/PlansProviders/Pharmacy/
NDC Units of Measure Qualifier

NDC units are based on the numeric quantity administered to the patient and the unit of measurement. The Units of Measurement Qualifier codes are as follows:

NDC Unit of Measure Qualifier
- 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.
Effective July 1, 2016

IHS and Tribally operated 638 facilities must submit the NDC information on the claim to receive the All Inclusive Rate (AIR).

All pharmacy claims must be submitted with Revenue Code 0519 and the National Drug Code (NDC).

The outpatient pharmacy clinic claims are reimbursed at the federally published ALL-INCLUSIVE RATE (AIR).

→ The AIR must be billed on the 1st Line with revenue code 0519 and 1 unit.

→ Subsequent lines with NDCs can be billed with $0.00 and 1 unit to avoid inflating the total AIR for the outpatient pharmacy claim.
Billing Pharmacy Claims for IHS/638

Pharmacy Claims must be billed on a UB-04 Claim form.

Use revenue code 0519 with 1 unit.

Bill with a valid National Drug Code (NDC).

Use bill type 131 (hospital outpatient, admit through discharge) or 711 (clinic, rural health, admit through discharge).

Note:
All pharmacy claim lines billed with rev code 0519 must have a valid NDC code, the first line must contain a valid/covered NDC code for the claim to pay. Subsequent lines can be billed with valid non-covered NDC and billed with $0.00 to avoid inflating the total AIR for the outpatient pharmacy claim.
Common Pharmacy Billing Errors

An invalid and or non-covered NDC code on the first line will cause the whole claim to deny.

Invalid NDC codes: If the NDC code on each line does not follow the standard NDC format (i.e. typo) the whole claim will deny even if the first line contains a valid/covered NDC code.

Exception: Anticoagulants do not have NDC codes. They must be billed using a valid corresponding diagnosis code for the drug.

Claims for Title XXI (KidsCare) recipients:

Must be submitted to OptumRx as described in Chapter 10 of the IHS/Tribal Provider Billing Manual.
Enter the 11 digit NDC code without dashes/spaces

Enter the NDC Quantity here

Click on the down arrow and select the NDC unit of measure

Enter the revenue code 0519 here

Enter the All-Inclusive Rate (AIR) here

<table>
<thead>
<tr>
<th>Qualifier</th>
<th>NDC</th>
<th>NDC Measure Qualifier</th>
<th>NDC Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>N4</td>
<td>00002762301</td>
<td>UN</td>
<td>0.2</td>
</tr>
</tbody>
</table>
Questions?

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Contact Information

ProviderTrainingFFS@azahcccs.gov

Claim Customer Service 602-417-7670

Option 4 – Claims
Option 5 – Provider registration
Option 6 – Fee For Service

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Thank You.