



High Level Overview

Implementation of National Drug Code (NDC) billing requirement

For IHS/638 outpatient pharmacy

Effective with date of service July 1, 2016, AHCCCS implemented new billing requirements for IHS/638 outpatient pharmacy claims.

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).

When billing for outpatient pharmacy these three elements:

NDC

UNITS of Measure Qualifier

NDC Quantity

will be combined in the following order:

- **The first two positions will be N4**
- **Next 11 positions will be the NDC numeric code without hyphens**
- **Next 2 positions will be NDC Unit Measure Qualifier**
- **NDC quantity given, administered amount, with up to three decimal places**
- **Any unused spaces in this field are left blank**

N4 00002762301 UN 0.2

The AIR must be billed on the 1st revenue code 0519 line and subsequent lines with NDCs can be billed with \$0.00 to avoid inflating the total AIR for the outpatient pharmacy claim.

If the facility is billing the AIR on only the first line, these billing instructions **must** be followed:

- The first revenue code line of the pharmacy **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 AIR **must** be a valid NDC **and** an AHCCCS covered pharmacy service.

Questions?



Thank You.

