



June 2006

Provider Bulletin Number 657c

Hospital Providers

New Requirement When Billing Drug-Related HCPCS (Including All J-Codes)

To comply with Centers for Medicare & Medicaid Services (CMS) requirements related to the Deficit Reduction Act, a change involving all J-Codes will become effective with dates of service on and after July 1, 2006. The Kansas Medical Assistance Program (KMAP) will require providers billing for prescription drug products in an office or outpatient setting using a drug-related Healthcare Common Procedure Coding System (HCPCS) code to include the following:

- **National Drug Code (NDC)** – The 837 transaction data element is LIN03 – Product/Service ID.
- **At least one valid NDC that reflects the content of the HCPCS code being billed** – If the HCPCS code is comprised of more than one NDC, submit each applicable NDC, up to 25. Each NDC must be an 11-digit code unique to the manufacturer in a 5-4-2 format (99999-9999-99). Refer to the Additional NDC Format Information section in this bulletin for a detailed explanation regarding converting NDCs to the correct 11-digit format.
- **Quantity for each submitted NDC** (up to three digits to the right of the decimal point are available) – The 837 transaction data element is CTP04 – Quantity.
- **Unit of measurement for each submitted NDC** – The 837 transaction data element is CTP05-1 – Unit or Basis for Measurement Code. Valid codes include:
 - F2 (international unit)
 - GR (gram)
 - ML (milliliter)
 - UN (unit)
- **Drug unit price for each submitted NDC, if known** – The 837 transaction data element is CTP03 – Unit Price. If not known, submit a value of \$0.00. This is the price per unit; not the total dollar amount for the NDC.

For additional information on the required NDC data elements and how to obtain assistance with billing the correct NDC values, refer to the Billing Correct NDC Values section in this bulletin. A list of drug-related HCPCS codes requiring NDC information starting July 1, 2006, is attached at the end of this bulletin.

These requirements are applicable to all electronic, Internet, and paper claim submissions. The fields listed above are currently available for users of the batch 837 health care claim and encounter transactions (professional and institutional). Users of the Provider Electronic Solutions (PES) application will need to install an upgrade to version 2.06, or higher, prior to the policy effective date. The fields listed above will become available on the Internet claim format prior to the July 1, 2006, policy effective date. For users of paper claims, a KMAP form titled NDC Detail Attachment is to be filled out and attached to the paper claim when billing for drug-related HCPCS codes. The NDC Detail Attachment form is included in this bulletin and can be used to make photocopies. The form will be added to the Forms section of applicable provider manuals.

Note: Public Health Service (PHS) providers who have not carved out Medicaid and are submitting 340B prices to Medicaid will be excluded from the above requirements.

For information on becoming a covered entity in the 340B program, the Office of Pharmacy Affairs Database can be accessed at <http://opanel.hrsa.gov/opa/Login/MainMenu.aspx>. In addition, claims submitted to Medicare that cross over electronically to KMAP will be excluded from the above requirements for beneficiaries with both Medicare and Medicaid.

Note: Individual billing software programs may need to be modified to include the above required fields. In addition, a process will need to be in place to record and maintain the NDC administered to the beneficiary and the amount given.

For questions related to electronic transactions, contact the EDS Electronic Data Interchange (EDI) help desk at 1-800-933-6593, option 3, or via e-mail at edi.kmap@eds.com.

Drug manufacturers can dispute utilization of any of their drugs. There are several reasons why a dispute may be initiated. The following are the most common reasons for a dispute:

- Wrong unit of measure
- Units/Quantity appear inconsistent
- Generic substitution
- Inaccurate NDC
- Invalid/Terminated NDC

Once a manufacturer has disputed a drug, the Drug Rebate unit is required by CMS to gather all the documents that verify the actual NDC dispensed as well as the units dispensed. Supporting claim documentation may be requested, such as invoices of drug purchases or individual medical records that show the drug dispensed. Providers have 30 days to respond to the letter. If no response is received, the claim will be recouped in full. If it is determined that incorrect information was submitted in error, the claim will be adjusted to reflect the correct information.

Additional NDC Format Information

Most NDCs are displayed on drug packaging in a 10-digit format. Proper billing of an NDC requires an 11-digit number in a 5-4-2 format. Converting NDCs from a 10- to 11-digit format requires a strategically placed zero, dependent upon the 10-digit format. The following table

shows common 10-digit NDC formats on packaging and the associated conversion to an 11-digit format with the proper placement of a zero.

10-Digit Format on Package	10-Digit Format Example	11-Digit Format	11-Digit Format Example	Actual 10-Digit NDC Example	11-Digit Conversion of Example
4-4-2	9999-9999-99	5-4-2	09999-9999-99	0002-7597-01 Zyprexa IM [®] 10mg Vial	00002-7597-01
5-3-2	99999-999-99	5-4-2	99999-0999-99	50242-040-62 Xolair [®]	50242-0040-62
5-4-1	99999-9999-9	5-4-2	99999-9999-09	60574-4112-1 Synagis [®] 50mg Vial	60574-4112-01

Billing Correct NDC Values

Claim details for drug-related HCPCS codes will be denied if a valid NDC is not submitted and all NDC fields are not populated. Note the following required NDC fields:

- **The NDC(s) for the HCPCS code submitted must come off of the product(s) administered.** If the NDC(s) submitted is invalid (not in an 11-digit format or not a valid NDC), the claim detail will deny.
- **For each valid NDC submitted, a valid Unit of Measurement (UOM) code is required.** If the NDC UOM code is missing or invalid, the claim detail will deny. The NDC UOM represents the billing unit for the NDC, which may be different from the billing unit for the HCPCS. Valid UOM codes are GR, ML, UN, and F2 (see number 1 under *How to use the Palmetto GBA NDC-HCPCS Crosswalk document*).
- **For each NDC submitted, the NDC Quantity is required.** If the NDC Quantity is missing or invalid, the claim detail will be denied. The NDC Quantity must be a numeric value that is greater than zero. Up to three digits to the right of the decimal point are available. In most cases, the NDC Quantity will be different from the HCPCS billed units (see number 2 under *How to use the Palmetto GBA NDC-HCPCS Crosswalk document*).
- **For each NDC submitted, the Unit Price (reflecting the price per billing unit of the NDC) is to be submitted, if known.** The NDC Unit Price must be a numeric value. If the Unit Price is not known, submit a value of \$0.00.

For assistance with billing supporting NDC fields, access or contact the following:

- Palmetto GBA NDC-HCPCS Crosswalk Web site at:
[http://www.palmettogba.com/palmetto/other.nsf/\\$\\$ViewTemplate+for+Docs?ReadForm&Other+Medicare+Partners/SADMERC/NDC+to+HCPCS+Crosswalk](http://www.palmettogba.com/palmetto/other.nsf/$$ViewTemplate+for+Docs?ReadForm&Other+Medicare+Partners/SADMERC/NDC+to+HCPCS+Crosswalk)
- KMAP Customer Service Center at 1-800-933-6593 (in-state providers) or (785) 274-5990, option 0, between 7:30 a.m. and 5:30 p.m., Monday through Friday.

How to use the Palmetto GBA NDC-HCPCS Crosswalk document

Access the Palmetto Web site at the above address. On the NDC to HCPCS Crosswalk window, click on the most current month listed (such as NDC Crosswalk – June 2006) and follow the instructions to view the document. The document provides a listing of NDCs, the HCPCS codes crossed over to the NDCs, and a number of associated data elements. Locate the NDC in question. Some NDCs may be listed more than once; if so, identify the correct NDC row based on the Relationship Start Date and Relationship End Date, the billed HCPCS code, and if applicable, the HCPCS code modifier. The Relationship End Date should be 99/99/9999 to be a valid NDC for the billed HCPCS code.

1. To determine the **NDC UOM**, use the data column titled Billing Units. If the Billing Units value is EA (each), submit UN. If the Billing Units value is GM (gram), submit GR. If the Billing Units value is ML (milliliter), submit ML.
2. To determine the **NDC Quantity**, use the data column titled CF (conversion factor). Divide the number of billed HCPCS units by the CF. Enter the resulting number as the NDC Quantity.
The formula is: HCPCS units divided by CF = NDC Quantity

Note: Using the CF value to determine the NDC Quantity is only applicable when a single NDC makes up the HCPCS code. If more than one NDC makes up the HCPCS code, the portion (percentage) each NDC contributed will need to be identified before the NDC quantities for each are determined.

EXAMPLES

In the following examples, the Palmetto Web site is used to determine the UOM, CF, and the NDC Quantity (indirectly) for an NDC. Example 1 is a commonly billed HCPCS code. Examples 2 and 3 demonstrate how one HCPCS code could be billed two separate ways, depending on the NDC(s) used to make up the HCPCS code.

Example 1

Patient receives eight units of HCPCS J0696, injection, Ceftriaxone Sodium, per 250 mg. Provider administers NDC 00004-1964-04 (Rocephin[®], 1 Gram vial). Using the Palmetto Web site, the conversion factor for this NDC is four. Therefore, eight units of HCPCS J0696 divided by CF (4) equals two NDC units. The Palmetto Web site shows the 'Billing Units' for this NDC to be EA (UOM is UN).

The provider submits the following information when billing eight units of J0696 made up of NDC 00004-1964-04:

NDC = 00004-1964-04

NDC Quantity = 2

UOM = UN

Unit Price = If unknown, submit \$0.00.

Example 2

Patient receives two units of HCPCS J2543, injection, Piperacillin Sodium/Tazobactam Sodium, 1 Gram/0.125 Grams (1.125 Grams total). Two HCPCS units equal 2.25 grams. Provider administers NDC 00206-8452-16 (Zosyn[®], 2.25 Gram vial). Using the Palmetto

Web site, the conversion factor for this NDC is two. Therefore, two units of HCPCS J2543 divided by the CF (2) equals one NDC unit. The Palmetto Web site shows the Billing Units for this NDC to be EA (UOM is UN).

The provider submits the following information when billing two units of J2543 made up of NDC 00206-8452-16:

NDC = 00206-8452-16

NDC Quantity = 1

UOM = UN

Unit Price = If unknown, submit \$0.00.

Example 3

Patient receives two units of HCPCS J2543 (like Example 2). Provider administers NDC 00206-8820-02 (Zosyn, 2.25 Grams/50 mls). Again, the Palmetto Web site shows the Billing Units to be ML (same UOM). The CF is 0.04. To determine the NDC Quantity, divide the HCPCS units by the CF ($2/0.04 = 50$).

The provider submits the following information when billing two units of J2543 made up of NDC 00206-8820-02:

NDC = 00206-8820-02

NDC Quantity = 50

UOM = ML

Unit Price = If unknown, submit \$0.00.

Information about the Kansas Medical Assistance Program as well as provider manuals and other publications are on the KMAP Web site at <https://www.kmap-state-ks.us>.

If you have any questions, please contact the KMAP Customer Service Center at 1-800-933-6593 (in-state providers) or (785) 274-5990 between 7:30 a.m. and 5:30 p.m., Monday through Friday.

Drug-related HCPCS Codes That Will Require NDC Information Starting July 1, 2006

Please note the following regarding the list below:

- HCPCS codes listed are not an indication of coverage
- Updated versions will be published at regular intervals
- List reflects what was in effect at the time published and is subject to daily changes

90281	90283	90287	90288	90291	90371	90375	90376	90378	90379	90384
90385	90386	90389	90393	90396	90399	90585	90586	90740	90741	90742
A4216	A4217	A4218	A4319	A4323	A4712	A7020	A9500	A9535	A9536	A9537
A9540	A9541	A9542	A9543	A9544	A9545	A9546	A9547	A9548	A9549	A9550
A9551	A9552	A9553	A9554	A9555	A9556	A9557	A9558	A9559	A9560	A9561
A9562	A9563	A9564	A9565	A9566	A9567	A9698	B4164	B4168	B4172	B4176
B4178	B4180	B4184	B4185	B4186	B4189	B4193	B4197	B4199	B4216	B5000
B5100	B5200	C1024	C1045	C1058	C1065	C1066	C1079	C1080	C1081	C1082
C1083	C1084	C1086	C1087	C1089	C1090	C1091	C1092	C1093	C1094	C1095
C1096	C1097	C1098	C1099	C1122	C1178	C1188	C1200	C1201	C1202	C1203
C1205	C1348	C1775	C2637	C9000	C9001	C9002	C9003	C9004	C9005	C9006
C9007	C9008	C9009	C9011	C9012	C9017	C9018	C9019	C9020	C9100	C9102
C9103	C9104	C9105	C9106	C9107	C9108	C9110	C9112	C9113	C9114	C9115
C9117	C9118	C9121	C9126	C9202	C9203	C9205	C9211	C9212	C9218	C9224
C9225	C9402	C9403	C9404	C9405	C9435	C9436	C9437	C9439	G9017	G9020
G9033	G9034	G9035	G9036	J0110	J0120	J0128	J0130	J0132	J0133	J0135
J0140	J0150	J0152	J0160	J0170	J0180	J0190	J0200	J0205	J0207	J0210
J0215	J0220	J0230	J0240	J0250	J0255	J0256	J0260	J0270	J0275	J0278
J0280	J0282	J0285	J0286	J0287	J0288	J0289	J0290	J0295	J0300	J0310
J0320	J0330	J0340	J0350	J0360	J0365	J0370	J0380	J0390	J0395	J0400
J0410	J0420	J0430	J0440	J0450	J0456	J0460	J0470	J0475	J0476	J0490
J0500	J0510	J0515	J0520	J0530	J0540	J0550	J0560	J0570	J0580	J0583
J0585	J0587	J0590	J0592	J0595	J0600	J0610	J0620	J0630	J0635	J0636
J0637	J0640	J0650	J0660	J0670	J0680	J0690	J0692	J0694	J0695	J0696
J0697	J0698	J0700	J0702	J0704	J0706	J0710	J0713	J0715	J0720	J0725
J0730	J0735	J0740	J0743	J0744	J0745	J0750	J0760	J0770	J0780	J0790
J0795	J0800	J0810	J0820	J0830	J0835	J0840	J0850	J0860	J0870	J0878

J0880	J0881	J0885	J0890	J0895	J0900	J0910	J0920	J0930	J0940	J0945
J0950	J0960	J0970	J0980	J0990	J0995	J1000	J1010	J1020	J1030	J1040
J1050	J1051	J1055	J1056	J1060	J1070	J1080	J1090	J1094	J1095	J1100
J1110	J1120	J1130	J1140	J1150	J1155	J1160	J1162	J1165	J1170	J1180
J1190	J1200	J1205	J1210	J1212	J1220	J1230	J1240	J1245	J1250	J1260
J1265	J1270	J1280	J1290	J1300	J1310	J1320	J1325	J1327	J1330	J1335
J1340	J1350	J1360	J1362	J1364	J1370	J1380	J1390	J1400	J1405	J1410
J1420	J1435	J1436	J1438	J1440	J1441	J1450	J1451	J1452	J1455	J1457
J1460	J1470	J1480	J1490	J1500	J1510	J1520	J1530	J1540	J1550	J1560
J1561	J1562	J1565	J1566	J1567	J1570	J1580	J1590	J1595	J1600	J1610
J1620	J1625	J1626	J1630	J1631	J1642	J1644	J1645	J1650	J1652	J1655
J1660	J1670	J1675	J1680	J1690	J1700	J1710	J1720	J1730	J1739	J1740
J1741	J1742	J1745	J1750	J1751	J1752	J1755	J1756	J1760	J1770	J1780
J1785	J1790	J1800	J1810	J1815	J1817	J1820	J1825	J1830	J1835	J1840
J1850	J1860	J1870	J1880	J1885	J1890	J1900	J1920	J1930	J1931	J1940
J1945	J1950	J1955	J1956	J1960	J1970	J1980	J1990	J2001	J2010	J2020
J2030	J2040	J2050	J2060	J2070	J2080	J2090	J2100	J2110	J2120	J2130
J2140	J2150	J2160	J2170	J2175	J2180	J2185	J2190	J2200	J2210	J2220
J2230	J2240	J2250	J2260	J2270	J2271	J2275	J2278	J2280	J2290	J2300
J2310	J2320	J2321	J2322	J2324	J2325	J2330	J2350	J2353	J2354	J2355
J2357	J2360	J2370	J2380	J2390	J2400	J2405	J2410	J2420	J2425	J2430
J2440	J2450	J2460	J2469	J2470	J2480	J2490	J2495	J2500	J2501	J2503
J2504	J2505	J2510	J2512	J2513	J2515	J2520	J2530	J2540	J2543	J2545
J2550	J2560	J2570	J2580	J2590	J2595	J2597	J2600	J2610	J2620	J2630
J2640	J2650	J2655	J2660	J2670	J2672	J2675	J2680	J2690	J2700	J2710
J2720	J2725	J2730	J2740	J2760	J2765	J2770	J2780	J2783	J2788	J2790
J2792	J2794	J2795	J2800	J2805	J2810	J2820	J2825	J2830	J2840	J2850
J2860	J2870	J2880	J2900	J2910	J2912	J2914	J2915	J2916	J2920	J2930
J2940	J2941	J2950	J2960	J2970	J2980	J2990	J2993	J2994	J2995	J2996
J2997	J3000	J3005	J3010	J3020	J3030	J3040	J3050	J3060	J3070	J3080
J3090	J3100	J3105	J3110	J3120	J3130	J3140	J3150	J3160	J3170	J3190
J3200	J3210	J3220	J3230	J3240	J3246	J3250	J3260	J3265	J3270	J3280
J3285	J3290	J3300	J3301	J3302	J3303	J3305	J3310	J3315	J3320	J3330
J3340	J3350	J3355	J3360	J3364	J3365	J3370	J3380	J3390	J3396	J3400
J3410	J3411	J3415	J3420	J3430	J3440	J3450	J3460	J3465	J3470	J3471

J3472	J3475	J3480	J3485	J3486	J3487	J3490	J3520	J3535	J3570	J3590
J7030	J7040	J7042	J7050	J7051	J7060	J7070	J7080	J7090	J7100	J7110
J7120	J7130	J7140	J7150	J7188	J7189	J7190	J7191	J7192	J7193	J7194
J7195	J7196	J7197	J7198	J7199	J7300	J7302	J7303	J7304	J7306	J7308
J7310	J7330	J7340	J7341	J7342	J7343	J7344	J7350	J7500	J7501	J7502
J7503	J7504	J7505	J7506	J7507	J7509	J7510	J7511	J7513	J7515	J7516
J7517	J7518	J7520	J7525	J7599	J7608	J7610	J7611	J7612	J7613	J7614
J7615	J7616	J7617	J7620	J7622	J7624	J7625	J7626	J7627	J7628	J7629
J7630	J7631	J7633	J7635	J7636	J7637	J7638	J7639	J7640	J7641	J7642
J7643	J7644	J7645	J7648	J7649	J7650	J7651	J7652	J7653	J7654	J7655
J7658	J7659	J7660	J7665	J7668	J7669	J7670	J7672	J7674	J7675	J7680
J7681	J7682	J7683	J7684	J7699	J7799	J8498	J8499	J8501	J8510	J8515
J8520	J8521	J8530	J8540	J8560	J8565	J8597	J8600	J8610	J8700	J8999
J9000	J9001	J9010	J9015	J9017	J9020	J9025	J9027	J9031	J9035	J9040
J9041	J9045	J9050	J9055	J9060	J9062	J9065	J9070	J9080	J9090	J9091
J9092	J9093	J9094	J9095	J9096	J9097	J9098	J9100	J9110	J9120	J9130
J9140	J9150	J9151	J9160	J9162	J9165	J9170	J9175	J9178	J9181	J9182
J9185	J9190	J9200	J9201	J9202	J9206	J9208	J9209	J9210	J9211	J9212
J9213	J9214	J9215	J9216	J9217	J9218	J9219	J9220	J9225	J9230	J9240
J9245	J9250	J9260	J9263	J9264	J9265	J9266	J9268	J9270	J9280	J9290
J9291	J9293	J9295	J9300	J9305	J9310	J9320	J9340	J9350	J9355	J9357
J9360	J9370	J9375	J9380	J9381	J9390	J9395	J9600	J9999	K0415	K0416
P9013	P9014	P9015	P9024	P9041	P9042	P9043	P9045	P9046	P9047	P9048
Q0048	Q0050	Q0051	Q0052	Q0053	Q0054	Q0055	Q0056	Q0057	Q0093	Q0094
Q0105	Q0106	Q0107	Q0112	Q0125	Q0135	Q0136	Q0137	Q0138	Q0139	Q0140
Q0141	Q0142	Q0143	Q0144	Q0156	Q0157	Q0159	Q0160	Q0161	Q0163	Q0164
Q0165	Q0166	Q0167	Q0168	Q0169	Q0170	Q0171	Q0172	Q0173	Q0174	Q0175
Q0176	Q0177	Q0178	Q0179	Q0180	Q0181	Q0183	Q0187	Q0188	Q0515	Q2001
Q2002	Q2003	Q2004	Q2005	Q2006	Q2007	Q2008	Q2009	Q2010	Q2011	Q2012
Q2013	Q2014	Q2015	Q2016	Q2017	Q2018	Q2019	Q2020	Q2021	Q2022	Q3000
Q3001	Q3002	Q3003	Q3004	Q3005	Q3006	Q3007	Q3008	Q3009	Q3010	Q3011
Q3012	Q3013	Q3025	Q3026	Q3030	Q4054	Q4055	Q4075	Q4076	Q4077	Q4079
Q4080	Q9941	Q9942	Q9943	Q9944	Q9945	Q9946	Q9947	Q9948	Q9949	Q9950
Q9951	Q9952	Q9953	Q9954	Q9955	Q9956	Q9957	Q9958	Q9959	Q9960	Q9961
Q9962	Q9963	Q9964	S0010	S0011	S0012	S0014	S0017	S0020	S0021	S0023

S0024	S0028	S0029	S0030	S0032	S0034	S0039	S0040	S0071	S0072	S0073
S0074	S0077	S0078	S0080	S0081	S0085	S0086	S0087	S0088	S0090	S0091
S0092	S0093	S0096	S0097	S0098	S0104	S0106	S0108	S0109	S0112	S0114
S0116	S0117	S0118	S0122	S0126	S0128	S0132	S0133	S0136	S0137	S0138
S0139	S0140	S0141	S0142	S0143	S0145	S0155	S0156	S0157	S0160	S0161
S0162	S0164	S0166	S0167	S0168	S0170	S0171	S0172	S0173	S0174	S0175
S0176	S0177	S0178	S0179	S0181	S0182	S0183	S0187	S0189	S0190	S0191
S0196	S0197	S0198	S4989	S4990	S4991	S4993	S4995	S5000	S5001	S5002
S5003	S5010	S5011	S5012	S5013	S5014	S5022	S5550	S5551	S5552	S5553
S5565	S5566	S5570	S5571	S8002	S8003	S8060	S8085	S9055		

NDC Detail Attachment

This form is a required attachment for any KMAP paper claim billed using a drug HCPCS code on a CMS-1500 or a UB-92.

Provider Name _____ Provider Number _____
 Beneficiary Name _____ Beneficiary ID Number _____ Date of Service _____

LINE	NDC										DESCRIPTION	UNITS	BASIS OF MEASUREMENT				*UNIT PRICE
													GR	ML	UN	F2	
													GR	ML	UN	F2	\$
													GR	ML	UN	F2	\$
													GR	ML	UN	F2	\$
													GR	ML	UN	F2	\$
													GR	ML	UN	F2	\$
													GR	ML	UN	F2	\$
													GR	ML	UN	F2	\$
													GR	ML	UN	F2	\$
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													GR	ML	UN	F2	\$

Please fill in:

- The corresponding line number from the CMS-1500 (HCFA-1500) or the UB-92
- NDC number used
- The drug description
- The actual quantity (units) given to the patient
- Circle the appropriate basis of measurement
- * The unit price (if known)

Legend:

- GR – Gram
- ML - Milliliter
- UN - Unit
- F2 – International Unit