

Hospital Providers

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

Effective with dates of service on and after July 1, 2006, KMAP will require providers billing for prescription drug products in an office or outpatient setting using a J-Code or other drug-related HCPCS codes 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.

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. Notice will be provided when the upgrade is available. 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. It 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. In addition, claims submitted to Medicare that cross over electronically to Medicaid 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 to record and maintain NDC information applicable to drug-related HCPCS codes will need to be in place.

The *KMAP Companion Guide for Batch 837 Health Care Claim & Encounter Transactions* (Professional and Institutional) provides a batch data element description table which provides more detailed information about the fields listed above. To access the companion guide, go to the KMAP Web site at <https://www.kmap-state-ks.us>. At the Welcome to Provider home page, click on the Publications drop-down menu and then on HIPAA Companion Guides. At the HIPAA Companion Guides page, click on the down arrow and select either 837 Institutional or 837 Professional Health Care Claim and Encounter Transactions. The next page allows you to select the current version or historical versions of the companion guide.

This policy is being implemented to maximize rebates from drug manufacturers. At times, a manufacturer may question the invoiced amount, which results in a drug rebate dispute. If this occurs, you may receive a letter requesting a copy of your office records to include documentation pertaining to the billed procedure code. Requested records may include NDC invoices showing purchase of drugs and documentation showing what drug (name, strength, and amount) was administered and on what date, to the beneficiary in question.

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 format. Converting NDCs from a 10- to an 11-digit format requires a strategically placed zero, dependent upon the 10-digit format. The following table shows common 10-digit NDC formats and the associated conversion to an 11-digit format with the proper placement of a zero.

10-Digit Format	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	0 9999-9999-99	0002-7597-01 Zyprexa IM [®] 10 mg vial	0 0002-7597-01
5-3-2	99999-999-99	5-4-2	99999- 0 999-99	50242-040-62 Xolair [®]	50242- 0 040-62
5-4-1	99999-9999-9	5-4-2	99999-9999- 0 9	60574-4112-1 Synagis [®] 50 mg vial	60574-4112- 0 1

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.



From the office of the Fiscal Agent

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

Beneficiary Name_____Beneficiary ID Number_____Date of Service_____

Please fill in:

- Legend:

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