

National Drug Code (NDC)

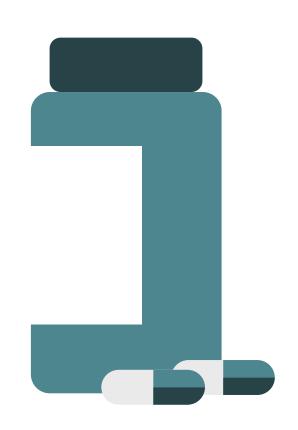
Best practices in NDC set up & billing in NextGen

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Revenue Cycle Management Performance Integrity Department

April 2022

Agenda



01

NDCs

How are NDCs different than HCPCS? How are NDCs determined? How to validate NDCs

02

Best Practices for NDC Set Up

Best practices in NDC set up including: Naming convention(s), Basis of Measure (BOM), default Drug Count & Price

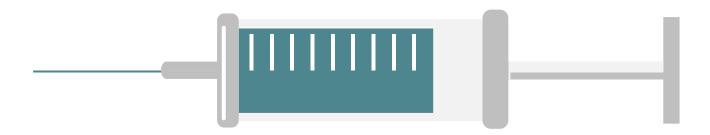
03

Other Considerations

Recommended Maintenance schedule, setting up multiple NDCs for the same HCPCS, Waste, Billing for compounded pharma, NDC denials codes, Q&A, resources.



Background & Nature of Issue



- Pharma billing can be complex because each line item is reported with both a CPT or HCPCS code as well as the National Drug Code (NDC) and the units for both of these items are calculated differently. Payers use the NDC to determine pricing and some practices may find that their entire reimbursement is driven by the NDC reporting for some payers. Medicare RAC auditors are focusing on recoupments when the implied dose of the NDC differ from the implied dose of the HCPCS for selected codes.
- Different payers may have different rules regarding NDC reporting
- NDC set up is key to successful pharma claims submission but charge capture operations are required to assure accuracy



Section 1

w are NDCs different than HCPCS?

w are NDCs & the reporting format determined?

How to validate NDCs



Determining the HCPCS code Units

Mrs. Smith presents w/ a significant rash and the doctor orders an injection of Kenalog, 40mg.

The medical Assistant administers an intramuscular injection, documenting:

- Kenalog 20mg/ml 2ml Single dose vial (SDV)
- Lot # 12345
- Expiration: 12/2022

J3301 – Inj Kenalog, 10mg

40mg dose / 10mg per HCPCS unit

HCPCS units = 4 because the definition of J3301 is "per 10mg"

Determining the HCPCS units



- It's all in the definition of the HCPCS
 - Per milligram (MG)
 - Per 10 mg
 - Per milliliter
 - Per 250 milliliters
 - Per international unit
 - Per infusion / injection / implant
- Charge entry "Quantity"
- Box 24G of the form 1500
- No fractional units

				D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)			E. F. DIAGNOSIS			G. H. DAYS EPSOT OR Family		I. ID.	J. RENDERING					
MM	DD	YY	MM	DD	YY	SERVICE	EMG	CPT/HCPCS	CPT/HCPCS MODIFIER			POINTER	\$ CHARG	ES	UNITS	Family Plan	QUAL	PROVIDER ID. #
N459	N459148001665 UN1													N	G2	12345678901		
10	01	05	10	01	05	11		J0400		i !		1	25	00	40	N	NPI	0123456789

National Drug Codes (NDC)

Prefix of "N4" -

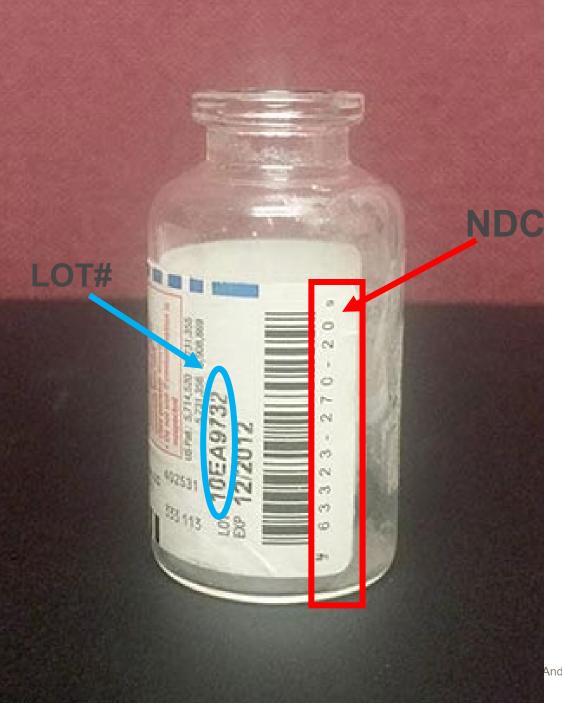
Used by payors to assess cost of drugs and drive payment

BCBS, UHC, Cigna – all using NDC to drive provider compensation independently of the HCPCS

Medicare has required since 2005

Different insurance companies may require BOM be reported differently

_													_							
1	24. A. DATE(S) OF SERVICE B. C. D. PROCEDURES, SERVICES, OR SUPPLIES					E.	F			G.	H.	I.	J.							
\Box					DIAGNOSIS				DAYS	EPSOT	ID.	RENDERING								
	MM	DD	YY	MM	DD	YY	SERVICE	EMG	CPT/HCPCS MODIFIER		POINTER	\$ CHA	RGE	S	G. DAYS OR UNITS	Family Plan	QUAL	PROVIDER ID. #		
I	N45914800166 UN1								N	G2	12345678901									
	10	01	05	10	01	05	11		J0400				1		250	00	40	N	NPI	0123456789



Sources of NDCs





- Pharma Invoice
- NDC Express Phone App
- Optum: Drugreimbursement.com
- Drug Company website(s)
- NDC list database: https://ndclist.com/



NDC Format:







5 4

2

NDCs are always formatted for claims submission in 11 digits, in a 5-4-2 digit format.

NDCs that appear on the drug may not have 11 characters, so we add a leading zero to the segment that is not 5-4-2 digit format

NDCs on packages may be in 9,10 or 11 digits. (10 & 11 are the most common)

Given Format on Package	Correct Claim Format
1234-1234-12	0 1234-1234-12
12345-123-12	12345- 0 123-12
12345-1234-1	12345-1234-01
123-1234-12	00123-1234-12

Format of NDC – what does that tell the payer?





Section 2

st practices in NDC set up ming convention(s), Basis of Measure (BOM), fault Drug Count & Price



NDC Set Up Best Practices – Naming Convention

- Generic Name
 - Abbreviate longer terms: ie: "hydrochloride = HCL"
- Brand Name in parenthesis
- Dose
- Form (powder, solution etc.)
- Volume
- Packaging convention:
 - SDV = single dose vial
 - MDV = multidose vial
 - PFS = prefilled syringe
 - SUS = single use syringe



NDC Set Up Best Practices – Naming Convention

Naming convention examples:

NDC: 72603-0401-01

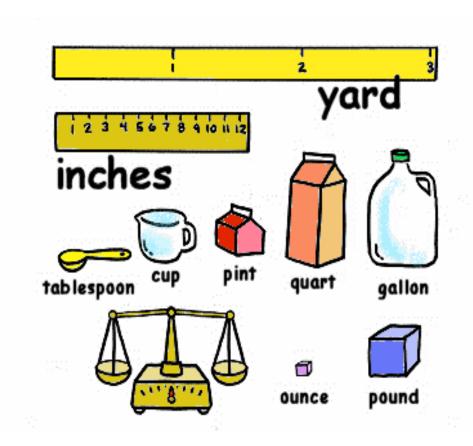
Triamcinolone Acetonide (Kenalog) 40mg/ml, 10ML MDV

NDC: 66993-0371-79

Medroxyprogesterone acetate (Depo Provera) 150mg/ml, 1ML PFS



National Drug Code UOM / BOM



5 possible units of measure (nucc.org)

- F2 International unit
- ME Milligram



- ML Milliliter
- GR Gram
- UN Unit

NDC Set Up Best Practices – BOM

The basis of measure should be selected based upon the packaging of the drug.

UN = Single dose vials, single use syringes, prefilled syringes & drugs that are measured in "UNITS" (like botox), any drug that comes as a powder for reconstitution.

ML = ONLY drugs that come packaged as a solution (liquid) should have a BOM of ML. Multi dose vials that are liquid should be set up with a BOM of ML. Some payors (ie: Some Medicaid) require liquid drugs to be reported w/ BOM of ML.

GR = ONLY drugs whose dose is stated in grams per the packaging. (ie: gamma globulin)

ME = do not use. UHC, several BCBS, Aetna, Cigna and many state Medicaids have prohibition against using a BOM of ME.

FR = Drugs packaged as miliinternation or international units. (specialty hematology drugs, some hormones or vitamins (ie: D3)) IUs are not convertible to MG or ML w/o knowing the conversion factor (mcg/IU, mg/IU etc.)



NDC Set Up Best Practices – BOM

NDC: 72603-0401-01

Triamcinolone Acetonide (Kenalog) 40mg/ml, 10ML MDV

BOM: ML ** -> this is a multi-dose vial so it will be set up w/ ML

NDC: 66993-0371-79

Medroxyprogesterone acetate (Depo Provera) 150mg/ml, 1ML PFS

BOM: UN **-> this is a single-use prefilled syringe so it will be set up w/ UN, whereas "UN" stands for each PFS



NDC Set Up Best Practices – Drug Count

Drug count depends on the basis of measure (BOM) and the typical dose of the drug.

The default drug count may knowingly be incorrect and need to be altered on each claim after the drug is given.

Drug counts of "1" are most common except where the doses are fixed.

If a drug count is set to "1" for a drug whose BOM is ML and the dose given is $\frac{1}{2}$ of an ML, then the drug count on the claim will need to be altered to 0.5.



NDC Set Up Best Practices – BOM

NDC: 72603-0401-01

Triamcinolone Acetonide (Kenalog) 40mg/ml, 10ML MDV

BOM: ML ** -> this is a multi-dose vial so it will be set up w/ ML

Default Drug count: 1 ** if a patient gets a 20mg injection, the drug count will need to be changed using the [RX] button on the claim to 0.5

NDC: 66993-0371-79

Medroxyprogesterone acetate (Depo Provera) 150mg/ml, 1ML PFS

BOM: UN **-> this is a single-use prefilled syringe so it will be set up w/ UN, whereas "UN" stands for each PFS

Default Drug count: 1



NDC Set Up Best Practices – Drug Price

Reporting purposes ONLY (P&L for pharma)

- Average Wholesale Price (AWP) per unit of the NDC
 - EncoderPro / Drug reimbursement.com

Acquisition Cost



NDC Set Up Best Practices – BOM

NDC: 72603-0401-01

Triamcinolone Acetonide (Kenalog) 40mg/ml, 10ML MDV

BOM: ML

Default Drug count: 1

Price: \$8.11 (AWP on this vial is \$81.18, it's a 10ML vial, so each ML is \$8.11)

NDC: 66993-0371-79

Medroxyprogesterone acetate (Depo Provera) 150mg/ml, 1ML PFS

BOM: UN

Default Drug count: 1

Price: \$115.20 (AWP for each PFS)



NDC Set Up Best Practices – CPT Considerations

NDCs are tied to CPT table – NOT SIM code table

- If several drugs or strengths of drugs require different NDCs to be reported, you may need to set up separate CPTs – not just separate SIMs & multiple NDCs
 - Example: Both Prolia & Xgeva are reported w/ the same HCPCS code but have different NDCs
 - J0897P Prolia 60mg -> NDC: 55513-0710-01, BOM: UN, drug count
 = 1, HCPCS units = 60
 - J0897X Xgeva 120mg -> NDC: 55513-0730-01, BOM: UN, drug count
 = 1, HCPCS units = 120



Determining the NDC Units on a Claim

Mrs. Smith presents w/ a significant rash and the doctor orders an injection of Kenalog, 40mg

The medical Assistant administers an intramuscular injection, documenting:

- Kenalog 20mg/ml 2ml Single dose vial (SDV)
- Lot # 12345
- Expiration: 12/2018

J3301 - Kenalog per 10mg (qty = 4)

NDC: 12345-1234-12

BOM: ML

• NDC units = 2

BOM: UN (per sdv)

• NDC units =1

Common Pharma found in FQHC

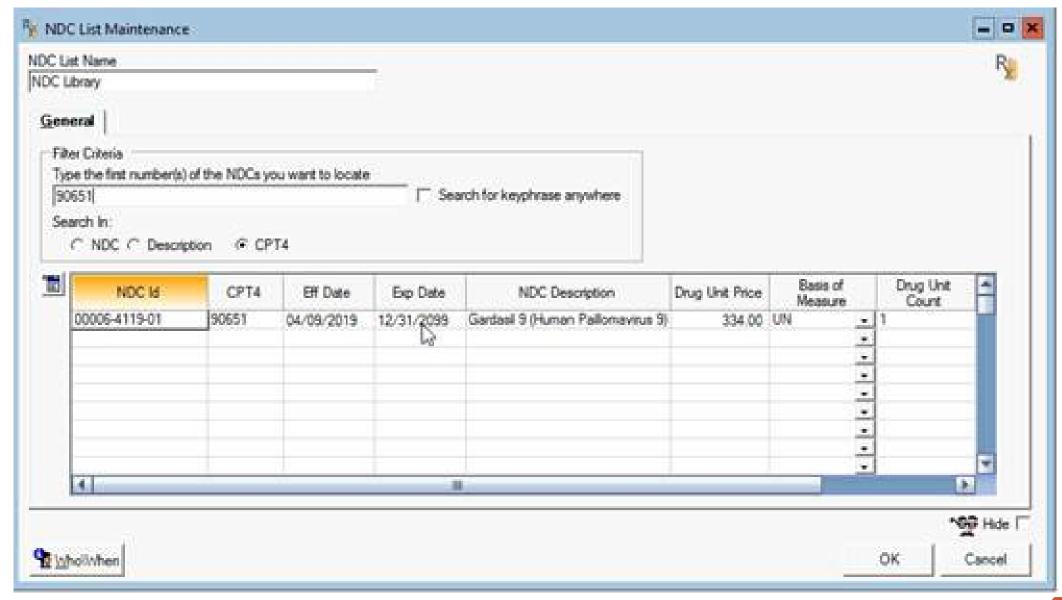
- 90651 Human Papillomavirus vaccine types
- 90670 Pneumococcal conjugate vaccine
- 90715 Tetanus, diphtheria toxoids and acellular pertussis vaccine (Tdap)
- J7307 Etonogestrel (contraceptive) implant system, including implant and supplies
- J7298 Levonorgestrel-releasing intrauterine contraceptive system
- J1050 Injection, medroxyprogesterone acetate



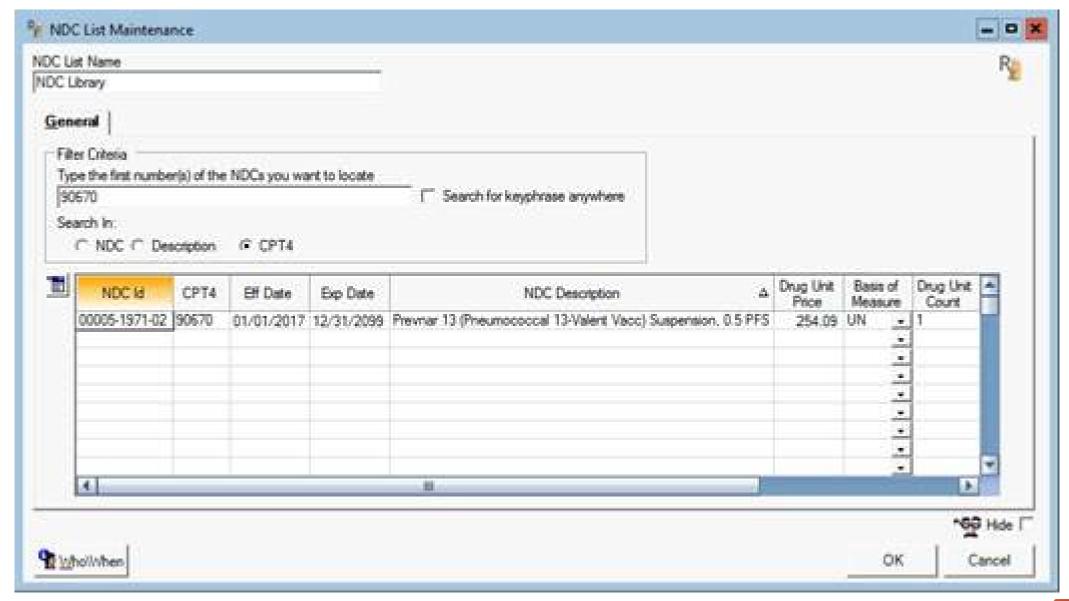
NDC Set Up

NDC ID (11 dig)	NDC Desc	CPT HCPCS *NOT SIM	Drug Price (use AWP or acquisition price)	Basis of Measure (BOM)	Drug Count	Effective Date
50090-4958-00	Human Papillomavirus 9-valent Vacc (Gardasil 9) 0.5ml PFS	90651	\$287	UN	1	1/1/2021
00005-1971-05	Pneumococcal 13-Valent Vaccine, Diphtheria Conjug (Prevnar 13) 0.5ml PFS	90670	\$281	UN	1	1/1/2021
78206-0145-01	Etonogestrel, (Nexplanon Implant) 68mg Implant	J7307	\$1,238	UN	1	1/1/2021
50090-1079-00	Pertussis Vac, Acellular/Reduced DT (Adacel) 2.5mcg,2lfU-5lfU 0.5ML SDV	90715	\$57.30	UN	1	1/1/2021

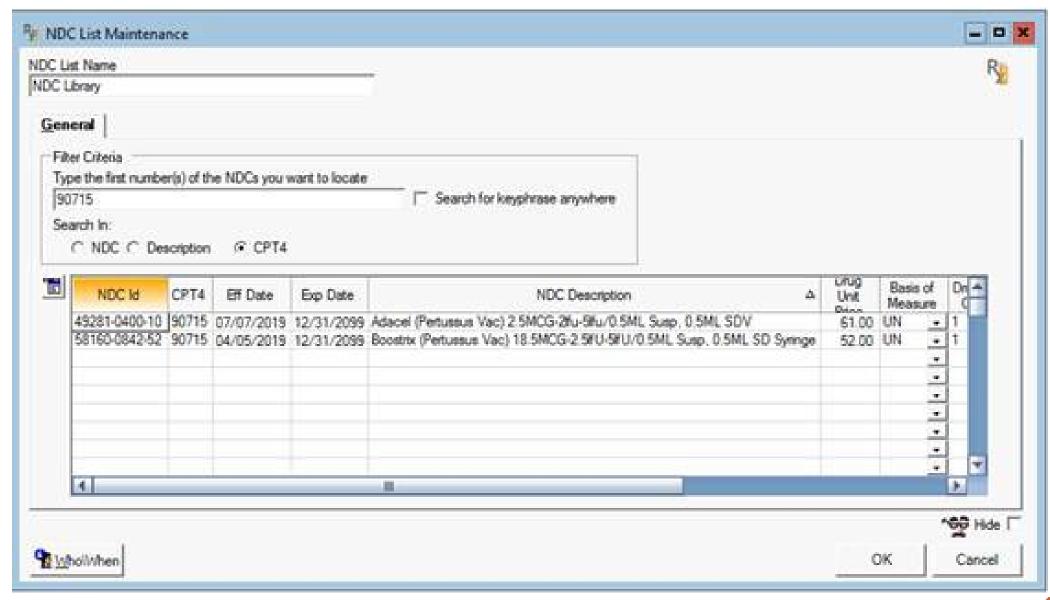




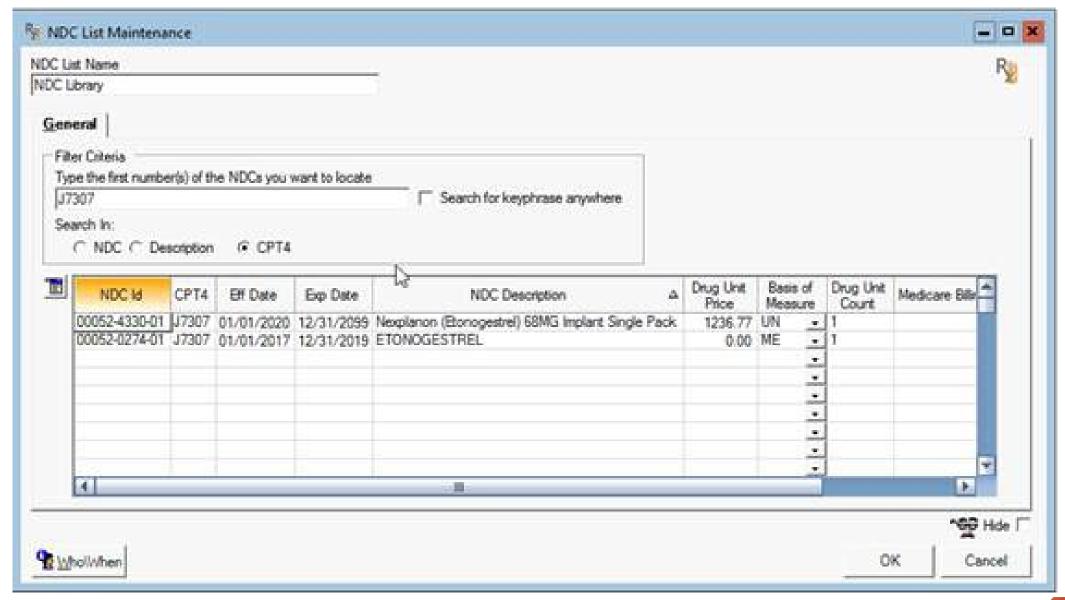




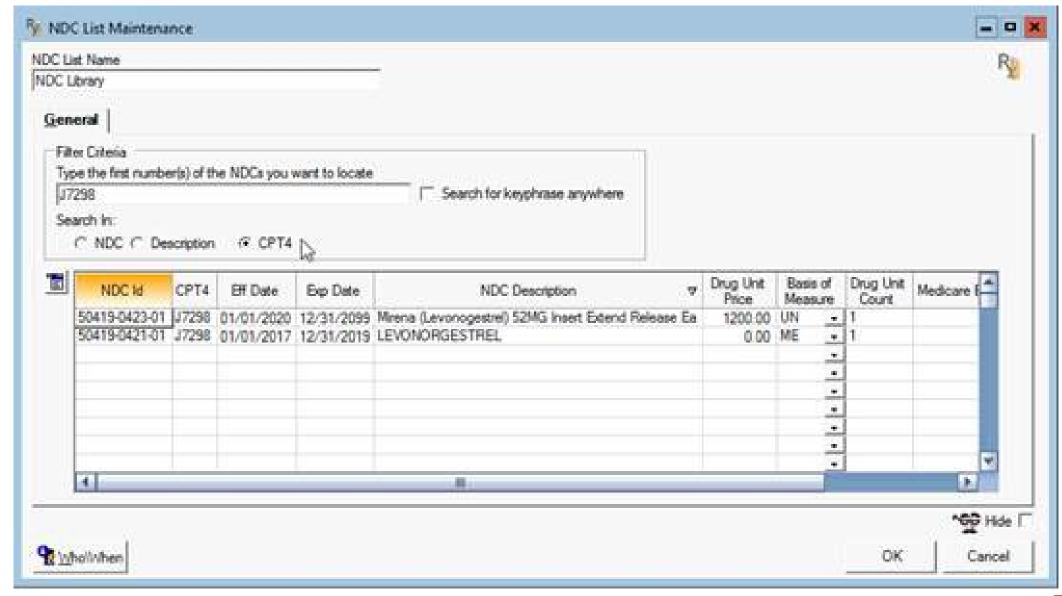




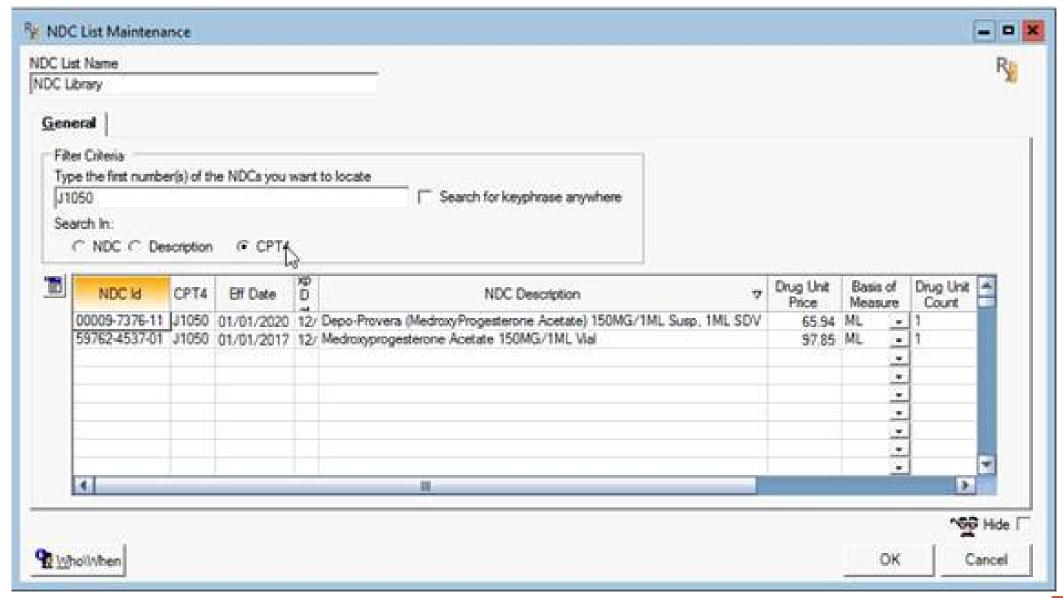














Section 3

ner Considerations

ommended Maintenance schedule

multiple NDCs for the same HCPCS

Waste, Billing for compounded pharma & NDC denial codes

Q&A Resources

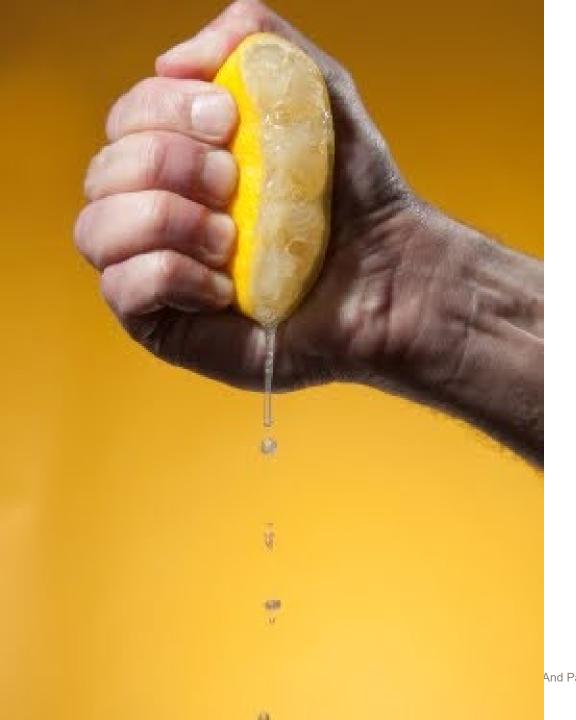


Q: When should you maintain your NDC library?



A: December & July

- CMS publishes NDC -> HCPCS & ASP files in December for new Jan in new FY.
 - NDC -> HCPCS January is largest list published all year, other lists (Apr, Jul, Oct) are adds / changes.



When is the juice worth the squeeze?

For common and inexpensive drugs it may not be worth setting up multiple NDCs.

Always set up NDCs for:

- High cost branded pharma
- Pharma under RAC issue 74
- Orphan drugs (always 1:1)
- High volume drugs w/ material cost
- Vaccines



NDC Billing on Waste

Waste is identified by using the JW modifier on the HCPCS code.

Reporting NDCs on waste line items is payer specific.

You cannot report the NDC twice (on the administered and the wasted line item) in the same dose.

Some payors want ALL the NDC dose reported on the administered line item & no NDC on waste.

Some payors want fractional NDCs reported.

(ie: if you use ½ of a PFS and waste half, you would report the NDC twice, each line items w/ a drug count of 0.5)



Billing for Compounded Pharma

HCPCS are MAC or Payor specific

• J3490, J3590, *<u>J7999</u>, J9999 (REV code 0636 for UB)

HCPCS unit = 1 (in all cases)

Name & dosage must be on claim description (box 19)

NDCs are not required, but may be reported

Invoice required in 10/13 MACs

Priced per MAC / payor

- Some pay for taxes, compounding, S&H, some don't
- 95% of AWP



NDC Denial Codes

M70	Alert: The NDC code submitted for this service was translated to a HCPCS code for processing, but please continue to submit the NDC on future claims for this item.
M119	Missing/incomplete/invalid/ deactivated/withdrawn National Drug Code (NDC).
N815	Missing/Incomplete/Invalid NDC Unit Count
N816	Missing/Incomplete/Invalid NDC Unit of Measure
N846	National Drug Code (NDC) supplied does not correspond to the HCPCs/CPT billed.
N847	National Drug Code (NDC) billed is obsolete.
N848	National Drug Code (NDC) billed cannot be associated with a product.



Questions?





RAC Issue 74 – Drugs & Biologicals: Incorrect Units

https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Recovery-Audit-Program/Approved-RAC-Topics-Items/0074-Excessive-or-Insufficient-Drugs-and-Biologicals

When the implied dose of the HCPCS is in conflict w/ the implied dose of the NDC, this triggers a RAC audit.

Waste billing is also audited.





Medicare Claims Processing Manual Chapter 17 - Drugs and Biologicals

https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS018912



Medicare Claims Processing Manual Chapter 17 - Drugs and Biologicals

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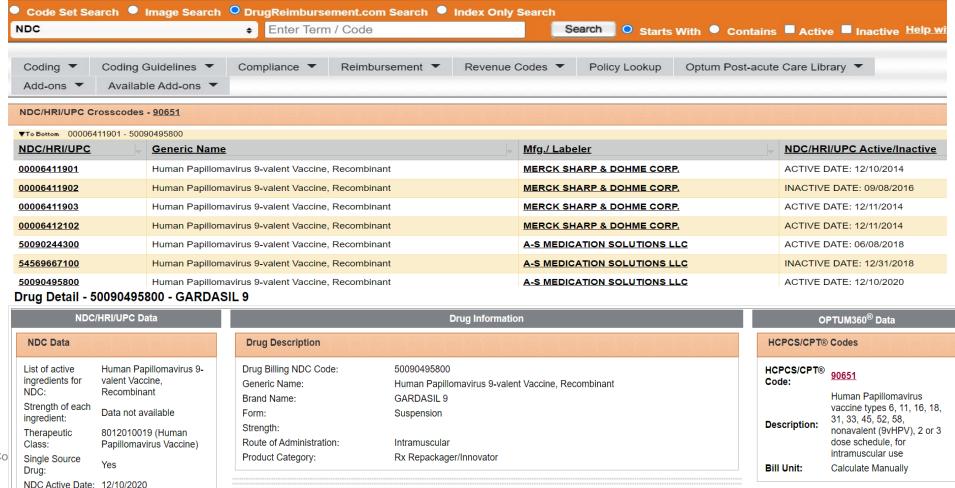
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Optum EncoderPro for Payers with Drug Reimbursement.com

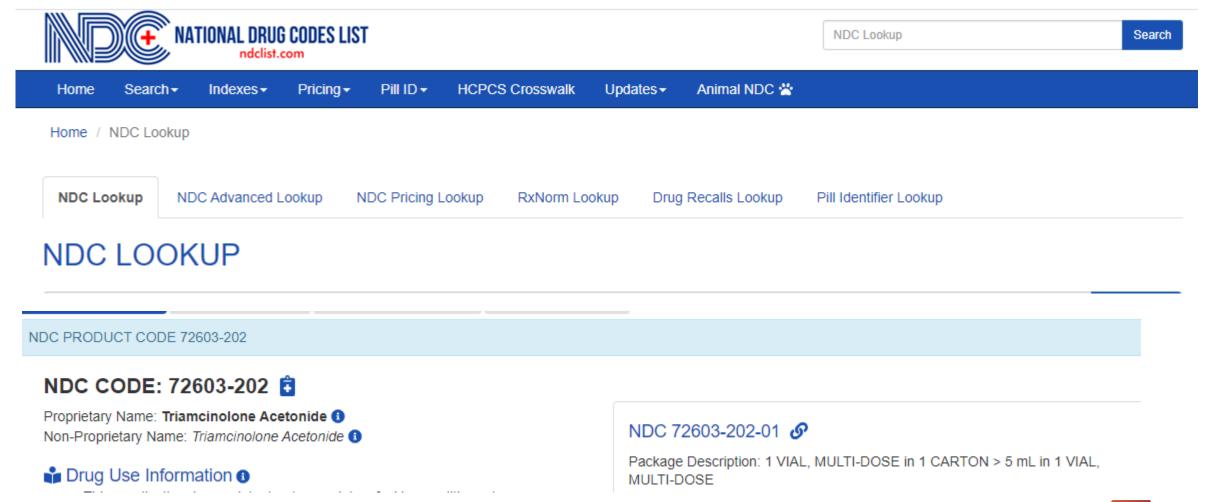


EncoderPro.com for Payers Professional





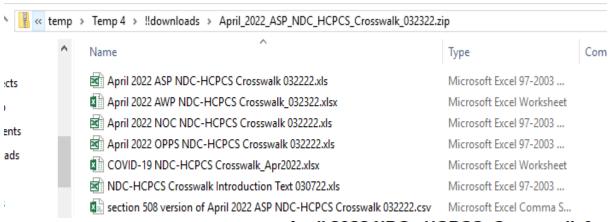
NDC list codes – shows packaging very clearly: https://ndclist.com/





Medicare Pharma ASP Files including HCPCS to NDC xwalk

https://www.cms.gov/medicare/medicare-part-b-drug-average-sales-price/2022-asp-drug-pricing-files



Downloads

April 2022 ASP Pricing File (ZIP)

April 2022 NOC Pricing File (ZIP)

April 2022 ASP NDC-HCPCS Crosswalk (ZIP)

January 2022 ASP Pricing File - Updated 03/02/2022 (ZIP)

January 2022 NOC Pricing File - Updated 03/02/2022 (ZIP)

January 2022 ASP NDC-HCPCS Crosswalk (ZIP)

April 2022 NDC - HCPCS Crosswalk for Medicare Part B Drugs Effective April 1, 2022 through June 30, 2022

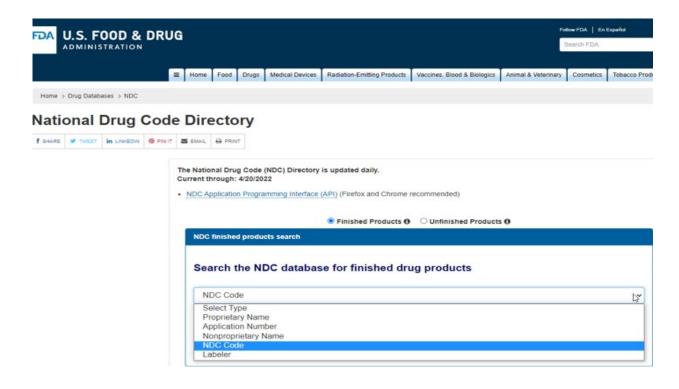
The ASP crosswalks are maintained by the Division of Data Analysis and Market Based Pricing to support ASP-based Medicare Part B payments only. The crosswalks are intended to help the public (including entities that submit manufacturer ASP data and providers who bill for drugs) understand which drug products (identified by NDCs) are assigned to which HCPCS billing codes. The crosswalks ar not intended to be a comprehensive list of all drugs/NDCs available in the United States. The NDC to HCPCS Crosswalk also includes information on the NDC package size and the number of billable units (a defined by the HCPCS code descriptor). Comments on the file may be sent to sec303aspdata@cms.hhs.gov.

HCPCS Code	Short Descriptor	LABELER NAME	NDC		HCPCS DOSAGE	PKG SIZE	PKG QTY	BILLUNIT S	BILLUN SP#
90653	liv adjuvant vaccine im				0.5 ML	0.5	10	1	•
90653	liv adjuvant vaccine im	Segirus	70461-0020-03	Fluad (2020/2021)	0.5 ML	0.5	10	1	-
90662	liv no prsv increased ag im				0.7 ML	0.7	10	1	-
90662	liv no prsv increased ag im				0.7 ML	0.7	10	1	
90662	liv no prsv increased ag im				0.5 ML	0.5	10	1	-
90662	liv no prsv increased ag im	Sanofi Pasteur	49281-0405-65	Fluzone High-Dose (2019/2020)	0.5 ML	0.5	10	1	
90670	PCV13 Vaccine IM	Wyeth/Pfizer U.S.	00005-1971-02	Prevnar - 13	0.5 ML	0.5	10	1	-
90670	PCV13 Vaccine IM		00005-1971-05		0.5 ML	0.5	1	1	
90671	PCV15 VACCINE IM	Merck	00006-4329-02	Vaxneuvance	1 EA	0.5	1	1	
90671	PCV15 VACCINE IM	Merck	00006-4329-03		1 EA	0.5	10	1	-
90672	Laiv4 vaccine intranasal	Medimmune	66019-0306-10	FluMist Quadrivalent (2019/2020)	0.2 MI	0.2	10	1	



FDA NDC lookup – updated daily – but can be tricky to search

https://www.accessdata.fda.gov/scripts/cder/ndc/index.cfm





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