UPDATE
National Drug Code (NDC) Implementation

NDC Information Required on Claim Submissions for Physician-Administered Drugs

Effective April 1, 2009

A Federal Statute outlined in the Deficit Reduction Act of 2005 and enacted in January 2008 mandates that providers must begin reporting National Drug Code (NDC) information on claim submissions for all physician-administered drugs*. This requirement applies to both electronic and hard copy Medicaid claims and affects physicians, physician groups, APRNs, physician assistants, as well as outpatient hospitals and licensed hemodialysis centers. For additional information related to this implementation, providers should review earlier notices posted on the Louisiana Medicaid web site: www.lamedicaid.com

Because of implementation difficulties for the provider community, this mandate to deny claims was postponed, and educational edits have continued for these providers in order to allow time for providers to develop processes to collect and report the required data.

Effective with processing date April 1, 2009, claims for professional services, outpatient hospital services and hemodialysis services will be denied if the claim forms do not contain accurate NDC information. The educational edits utilized during the grace period will become denial edits for professional services, outpatient hospital, and hemodialysis claims.

These edits are:

Edit 120 – "Quantity Invalid/Missing"
Edit 127 – "NDC Missing or Incorrect"
Edit 231 – "NDC Not on File"

Current claims history indicates that many claims continue to be submitted with the required data either missing or entered incorrectly on the claim. Once these edits become denial edits, any claims with incorrectly entered data will deny. Please review the entry of this information and ensure that it is correct and complete.

Claims for any Medicaid covered service which includes a physician-administered drug must be accompanied by the actual NDC from the package of the drug administered and other required information. The information must be entered on the claim form (electronic or hardcopy) EXACTLY as indicated in the billing instructions to prevent claim denials.

Billing instructions for the CMS-1500 form and the UB-04 form are posted on the LA Medicaid web site, www.lamedicaid.com, under the Billing Information link. The LA Medicaid EDI Companion Guides for the 837P and 837I were revised to include this information for EDI billing and the revisions were made available on the web site under the link, HIPAA Billing Instructions and Companion Guides.

Providers, Vendors, Billing Agents, and Clearinghouses must update their billing systems to accommodate this mandate.

Rural Health Clinics, Federally Qualified Health Centers, and Mental Health Clinics are **not** included in the implementation of this mandate.

This change **does not include** prescriptions written for patients by physicians. The information required in these cases will be reported by the pharmacy filling the prescription for the patient. Please consult your clinical professionals if you have questions concerning drugs that should have NDC information reported, as it will be present on the packaging of the drug.

An on-line training session or Webinar will be held in early February concerning this implementation. The announcement of this training will soon be posted on the LA Medicaid web site, www.lamedicaid.com. Affected providers should review this site daily for the announcement as registration will be required to attend.

* Physician-administered drugs include all drugs ordered by any profession with authority to write prescriptions, regardless of which clinical professional actually administers the drug.