



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

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TO: Physicians, Advance Practice Nurse, Nurse Midwives, Independent Clinics – **For Action Only**
Health Maintenance Organizations –**For Information Only**

SUBJECT: NDC Reporting on Physician-Administered Drug Claims

EFFECTIVE: Claims processed on or after April 2, 2007

PURPOSE: To notify physicians, advance practice nurse, nurse midwives and independent clinics of new National Drug Code (NDC) reporting requirements for the CMS 1500 claim form and the HIPAA 837P electronic claim record.

BACKGROUND: The Deficit Reduction Act of 2006 requires that State Medicaid programs collect drug rebates for physician-administered drugs. To comply with this requirement, both the HCPCS procedure code and the National Drug Code (NDC) of the physician-administered drug must be reported on the hard-copy CMS 1500 claim form and the HIPAA 837P claim record. The NDC is an 11-digit number printed on the manufacturer's product label and assigned by the federal Food and Drug Administration (FDA).

The purpose of this Newsletter is to notify providers of these changes in billing procedures and to encourage providers to share this information with their billing agents and software vendors.

Note: Similar reporting requirements involving the National Provider Identifier (NPI) will be addressed in a separate New Jersey FamilyCare (NJFC)/Medicaid Newsletter.

ACTION: Effective for claims processed on or after April 2, 2007, the New Jersey Division of Medical Assistance and Health Services (DMAHS) shall require the reporting of both the HCPCS procedure code and NDC for physician-administered drugs when requesting NJFC/Medicaid payments using the CMS 1500 paper claim form or the HIPAA 837P claim record. Procedure codes for physician-administered drugs may include J0000 through J9999 or Q0000 to Q9999.

- DMAHS anticipates that the current version of the CMS 1500 paper claim form (rev. 12/90) will be discontinued on or about April 1, 2007. **Providers shall continue to submit the CMS 1500 paper claim form (rev. 12/90) for claims being processed on or before April 1, 2007.**

- **DMAHS will recognize only the new CMS 1500 paper claim form (rev. 0805) for claims processed by Unisys, the State's fiscal agent, on or after April 2, 2007.**
- **Loop 2410 (Field LIN03) on the 837P transaction is designated as the location for capturing the NDC. In January 2007, DMAHS will publish a revised HIPAA Companion Guide that may be found at www.njmmis.com. DMAHS will follow the national standard for reporting NDC in the HIPAA 837P transaction.**

NJFC/Medicaid reimbursement for physician-administered drugs shall remain the same. However, if the NDC is not reported on the CMS 1500 paper claim or the HIPAA 847 claim record as required, physician-administered drug claims will be denied payment by the State.

If you have any questions regarding this Newsletter, please contact Unisys provider services at 1-800-776-6334.

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