



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

NEWSLETTER

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TO: Physicians, Podiatrists, Advanced Practice Nurse, Clinics, Midwives, Medical Suppliers - **For Action**
Health Maintenance Organizations - **For Information Only**

SUBJECT: **Revised New Billing Requirements for Physician-Administered and Medicare Part B-Covered Drugs**

EFFECTIVE: Claims with service dates on or after April 1, 2007

PURPOSE: The purpose of this letter is to notify providers of a new billing requirement for physician-administered and Medicare Part B-covered drugs.

BACKGROUND: The Federal Deficit Reduction Act of 2007 requires that the National Drug Code (NDC) for physician-administered and Medicare Part B-covered drugs be reported on the CMS 1500 claim form, in addition to the HCPCS procedure code. Physician-administered drugs are identified by the HCPCS procedure codes J0120 through J9999; Q0144 through Q0181; Q4079 through Q4081; Q9945 through Q9964; Q3025, Q3026, Q2009 and Q2017.

Medicare Part B-covered drugs include Durable Medical Equipment (DME) supply drugs. These are drugs that require administration by the use of a piece of covered DME, such as a nebulizer, external or implantable infusion pump. These drugs would include inhalation solutions, chemotherapy and hemophiliac drugs (see below regarding special exception for hemophiliac drugs).

ACTION: **Effective for claims with service dates on or after April 1, 2007,** providers of physician-administered and Medicare-Part B-covered drugs must report **both** the 11-digit NDC and HCPCS procedure code for the drug on the CMS 1500 claim form.

1. Providers shall report the full 11-digit NDC code in Field 17a on the CMS 1500 paper claim or in the Product/Service ID field (LIN03) in Loop 2410 – Drug Identification Loop in the 837P electronic claim format. Loop 2410 on the 837P transaction is designated as the location for the capture of the NDC. Fields LIN02 and LIN03 will be required when the procedure code (2400/SV101-2) is one billed for a physician-administered or Medicare Part B-covered drug.

2. **Exception:** For service dates on or after April 1, 2007, pharmacy/medical suppliers shall continue to submit pharmacy claims for billing hemophilia drugs. Only pharmacy/medical suppliers are exempt from billing hemophilia drugs using the CMS 1500 claim form. A future Newsletter will address a policy change regarding the billing of hemophilia drugs.
3. The Division of Medical Assistance and Health Services (DMAHS) will validate the reported NDC using the State's Reference Drug File.

Claims with service dates on or after April 1, 2007, for physician-administered and Medicare Part B-covered drugs that are submitted without the 11-digit NDC will be denied payment by DMAHS. This requirement does not apply to claims for hemophilia drugs.

If you have any questions regarding this Newsletter, please contact Unisys Provider Services at 1-800-676-6562.

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