



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

NEWSLETTER

Volume 17 No. 13

June 2007

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

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

EFFECTIVE: Claims with service dates on or after August 6, 2007

PURPOSE: To notify providers of a new billing requirement for physician-administered and Medicare Part B-covered drugs.

BACKGROUND: The Federal Deficit Reduction Act of 2005 (DRA) 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 include inhalation solutions, chemotherapy, immunosuppressants and hemophiliac drugs.

ACTION: **Effective for claims with service dates on or after August 6, 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. This requirement applies both to claims submitted electronically and to claims submitted on the CMS 1500 claim form.

1. Providers shall report the full **11-digit NDC number** in **Field 24A** on the CMS- 1500 (0805) 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) billed is for a physician-administered or Medicare Part B-covered drug.

2. Providers who submit their claims on paper are required to use the 0805 version of the CMS-1500 when submitting a claim for a physician-administered drug.

Section 24 of the CMS- 1500 (0805) paper claim is divided into six service lines. Each service line is divided horizontally to allow the reporting of the NDC. For the purposes of CMS-1500 claim form reporting, the NDC number, referred to as “supplemental” information, must be reported in the upper-horizontal shaded area of **Field 24A**.

When reporting the NDC number in the upper-horizontal shaded area of Field 24A, the qualifier value **“N4”** must be entered immediately preceding the **11-digit NDC number**. **Three “open” spaces** must then follow the 11-digit NDC number. Following these spaces, the **two-position qualifier** identifying the “Unit of Measure” must be reported, followed by the **quantity of the drug dispensed**. Up to ten positions, including three decimal places, may be reported for “quantity”. **The decimal point must be codified.**

The **two-position qualifiers for “Unit of Measure” are:**

- **F2 - International Measure**
- **GR- Gram**
- **ML- Milliliter**
- **UN- Unit (for example, tablet, capsule)**

For example, for NDC 12345123412, Quantity 1.5 milliliters, report **N412345123412 ML1.5**

For example, for NDC 454321432121, Quantity 30 tablets, report **N454321432121 UN30**.

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 August 6, 2007, for physician-administered and Medicare Part B-covered drugs that are submitted without the 11-digit NDC will be denied payment by DMAHS.

For your convenience, use the attached page to update your copy of the Fiscal Agent Billing Supplement. The NJMMIS web-site will be updated accordingly with these changes.

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

**RETAIN THIS NEWSLETTER NUMERICALLY BEHIND THE NEWSLETTER TAB
(BLUE TAB MARKED "5")**

EFFECTIVE: August 6, 2007

FORM LOCATOR 24A

DATA FIELD: UPPER-HORIZONTAL SHADED AREA

R

Definition: NDC Reporting on Physician-Administered and Medicare Part B-covered drugs

Instruction: Print or type the qualifier “**N4**” followed by “**NDC code**”, followed by **three spaces** followed by the **two position qualifier** for “the unit of measure” followed by **the quantity** of the drug dispensed. This should correspond to the HCPCS code reported in form locator 24D when billing for Physician-Administered and Medicare Part B-covered drugs.

Field Characteristics: It is a 26 position alpha-numeric field.

Values:

Notes: