



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

# NEWSLETTER

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

**SUBJECT:** **Software Concerns Regarding Physician-Administered Drugs**

**PURPOSE:** To notify providers of concerns regarding compliance with new billing requirements for physician-administered drugs (aka J/Q procedure codes).

## SHARE THIS ANNOUNCEMENT WITH YOUR SOFTWARE VENDOR

**BACKGROUND:** The NJ FamilyCare (NJFC)/Medicaid Newsletters Volume 17, No. 13 and Volume 19, No. 18 (go to [www.njmms.com/Newsletters/Alerts](http://www.njmms.com/Newsletters/Alerts)) both describe new procedures for billing physician-administered drugs. Providers are required to report the 11-digit National Drug Code (NDC) of the physician-administered drug in the specified format; the metric quantity of the drug; and a 2-digit qualifier for the drug's Unit of Measure (**UOM**).

In accordance with Federal regulations, specifically 42 CFR Section 447.520 (a) through (c), no State can request Federal funding for the cost of physician-administered drugs unless claims for these drugs identify drugs *sufficiently* for the State to bill a manufacturer for drug rebates. These new payment procedures will ensure that NJFC/Medicaid can properly bill drug manufacturer rebates for drug products administered to NJFC/Medicaid clients and *be compliant with all Federal drug rebate regulations.*

Providers continue to not properly report the NDC, the metric quantity or the drug's UOM for physician-administered drugs. This is resulting in denied payments. This Newsletter focuses on the provider software changes necessary to support claims for physician-administered drugs.

**ACTION:** Review of NDC Billing Procedures

1. Providers are required to report the NDC in Field 24A on the CMS1500 claim form or in Field LIN03 in LOOP 2410 in the 837 transaction.

**Example 1:** NDC 12345123412 is billed for 1.5 milliliters; **report N412345123412 (3 spaces) ML1.5.**

**Example 2:** NDC 454321432121 is billed for 30 tablets; **report N454321432121 (3 spaces) UN30.**

In Field 24A on the CMS1500 claim form, enter the qualifier value “N4” immediately proceeding the **11-digit NDC number** or enter the qualifier in Field LIN02 in LOOP 2410 in the 837 transaction.

**Error Code 1214, “Invalid NDC or NDC Not On File” shall deny claim payments if this information is absent or incorrectly reported.**

**Error Code 1215, “Procedure/NDC Invalid or Not On File” shall deny claim payments if the NDC reported is inappropriate for the HCPCS procedure code reported.**

2. Providers are required to report the metric quantity in Field 24A on the CMS1500 claim form or in Field CTP04 in LOOP 2410 in the 837 transaction.

Enter the metric quantity of the physician-administered drug identified in Field LIN03. The format for metric quantity is xxxxxxx.xxx (i.e. maximum metric quantity of 9999999.999 may be specified), but whole numbers may also be specified (i.e. a metric quantity of 500 may be specified)

**Example 1:** The drug billed with J2469 is Aloxi 25 ug (microgram) and the NDC is 62856079701 with a drug strength of 0.25mg/5ml. **The NDC UOM is “ml.”** Software must convert the number of “ugs” reported in the procedure code description to “mgs”; then “mls” for billing the administered dose.

**Example 2:** The drug billed with J9263 is Eloxatin 0.5mg and the NDC is 00024059120 with a drug strength of 100mg/20ml. **The NDC UOM is “ml.”** Software must calculate the number of “mls” to be reported for this NDC based on the “mg” strength reported for this procedure code and the administered drug metric quantity.

**Error Code 1317, “Invalid/Missing Metric Metric Quantity” shall deny claim payments if this information is not reported.** The metric quantity reported must be consistent with the Unit of Measure reported for the NDC.

3. Providers are required to report the unit of measure **for the NDC** in Field 24A on the CMS1500 claim form or in Field CTP05 in LOOP 2410 on the 837 electronic claim.

<b>ONLY REPORT THE DRUG’S “UNIT OF MEASURE” IN FIELD CTP05</b>
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The two-position qualifiers for the NDC UOM are:

- GR - Gram
- ML - Milliliter
- UN - Unit (used for solid-dosage forms, such as tablet or capsule)

**Error Code 1321, “Claim UOM is Invalid or Not Equal to the UOM for the NDC Reported” shall deny claim payments if the UOM is incorrect for the NDC reported.**

**Example 1:** A J code dosage for a drug is described in “mg.” **The NDC UOM is “ml.”**

**At [www.njmmis.com](http://www.njmmis.com), an interactive webpage is available for identifying the proper NDC and UOM for a procedure code. Go to “Physician Administered Drugs (UOM)” found on the left-hand side of the webpage.**

To communicate more effectively with software vendors, Unisys is requesting that you or your vendor provide valuable contact information. This information should include contact name, vendor address, telephone number and email address.

**Please email this information to [njmmiscontactinfo@unisys.com](mailto:njmmiscontactinfo@unisys.com)**

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

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