National Drug Code (NDC) Billing Guidelines

To be compliant with Oregon Administrative Rule 410-130-0180, Umpqua Health Alliance (UHA) requires all providers to report the National Drug Codes (NDCs) on claims submitted. This is for all physician-administered drugs billed using a Healthcare Common Procedure Coding System (HCPCS) or Current Procedural Terminology (CPT®) code.

NDC coding applies to claims for services billed on:

- CMS-1500 for providers
- UB-04 for hospitals and facilities
- Electronic data interchange (EDI) 837

What NDC information should be included on claims?

Claims should include the following information:

- Valid 11-digit NDC number
- NDC Unit of Measurement (UOM)
- NDC units dispensed/administered (must be greater than 0)

For more information on how to format the NDC on the claim, please refer to OHA's NCD reporting tip sheet found here:

https://www.oregon.gov/oha/HSD/OHP/tools/National%20Drug%20Code%20reporting%20tips.pdf

Where is the NDC located?

The NDC is usually found on the drug label or medication's outer packaging. If the medication comes in a box with multiple vials, using the NDC on the box (outer packaging) is recommended. The number on the packaging may be less than 11 digits. An asterisk may appear as a placeholder for any leading zeros.

The container label also displays information for the unit of measure for that drug. Listed below are the

- NDC units of measure UHA covers with examples:
- UN (Unit) – Powder-filled vials for injection (needs to be reconstituted), pellet, kit, patch, tablet, device.
- ML (Milliliter) – Liquid, solution, or suspension.
- GR (Gram) – Ointments, creams, inhalers, or bulk powder in a jar.

- F2 (International Unit) – Products described as IU/vial, or micrograms.
  *Note: ME is also a recognized billing qualifier that may be used to identify milligrams as the NDC unit of measure; however, drug costs are generally created at the UN or ML level. If a drug product is billed using milligrams, it is recommended that the milligrams be billed in an equivalent decimal format of grams.

How to verify the NDC is valid?

To most closely align with OHA's NDC requirements, UHA uses the CMS Durable Medical Equipment (DME) Pricing Data Analysis and Coding (PDAC) NDC Cross-walk file and the Food and Drug Administration (FDA) NDC Database file. In combination, these files contain the NDC's that are valid. The files can be found here:

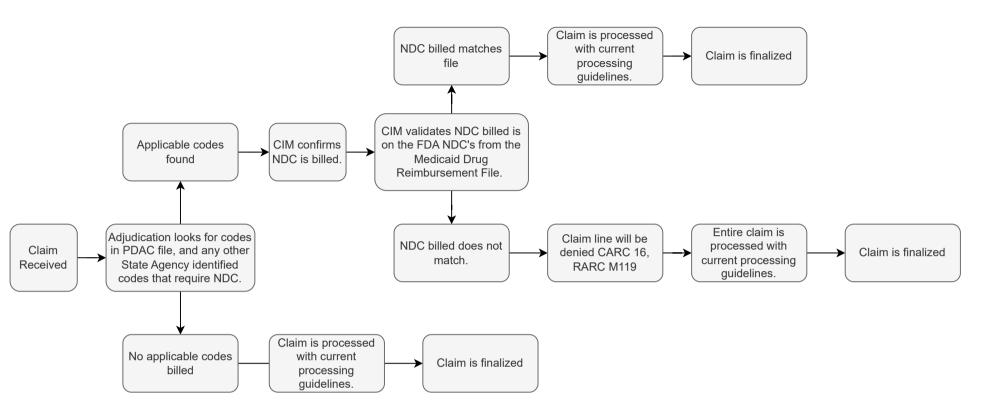PDAC NDC File: https://www.dmepdac.com/palmetto/PDACv2.nsf/DID/N77SFNQDJD

FDA NDC File: https://www.fda.gov/drugs/drug-approvals-and-databases/national-drug-code-directory

Please see chart below to see how UHA's claims adjudication system Community Integration Manager (CIM) applies the NDC edits to claims. Additionally, if a claim is denied for invalid NDC, the claim can be corrected and resubmitted or if the NDC was valid, the denial can be appealed.

Need more information?

If you have a question about NDC billing that is not listed in this billing guide, please email UHA's Claims Department at: UHAClaims@UmpquaHealth.com

Claims Support NDC Validation Process

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Claim Received → Adjudication looks for codes in PDAC file, and any other State Agency identified codes that require NDC.
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Branch 1 (up): Applicable codes found → CIM confirms NDC is billed. → CIM validates NDC billed is on the FDA NDC's from the Medicaid Drug Reimbursement File.

- NDC billed matches file → Claim is processed with current processing guidelines. → Claim is finalized

- NDC billed does not match. → Claim line will be denied CARC 16, RARC M119 → Entire claim is processed with current processing guidelines. → Claim is finalized

Branch 2 (down): No applicable codes billed → Claim is processed with current processing guidelines. → Claim is finalized

Claims Administration, Medicaid Claims vs1, created June 2023