



Billing with National Drug Codes (NDCs) Frequently Asked Questions

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NDC Overview

1. What is an NDC?
“NDC” stands for National Drug Code. It is a unique, 3-segment numeric identifier assigned to each medication listed under Section 510 of the U.S. Federal Food, Drug and Cosmetic Act. Typically, it appears in the 5 digit-4 digit-2 digit format (xxxxx-xxxx-xx). The first segment of the NDC identifies the labeler (i.e., the company that manufactures or distributes the drug). The second segment identifies the product (i.e., specific strength, dosage form, and formulation of a drug). The third segment identifies the package size and type.
2. When should NDCs be entered on claims?
Blue Cross and Blue Shield of New Mexico (BCBSNM) requires the use of NDCs and related information, along with the applicable Healthcare Common Procedure Coding System (HCPCS) or Current Procedural Terminology (CPT®) code(s) when drugs are billed on professional electronic (ANSI 837P) and paper (CMS-1500) claims. As of Nov. 1, 2013, professional/ancillary claims for drugs must include NDC data in order to be accepted for processing by BCBSNM, due to the implementation of NDC pricing.
3. Where do I find the NDC?
The NDC is found on the drug label or packaging. An asterisk may appear as a placeholder for any leading zeros. The label also displays information about the NDC unit of measure for that drug.
4. What are the NDC units of measure?
Here are the NDC units of measure and their descriptions: <ul style="list-style-type: none"> • UN (Unit) – Drug comes in a vial in powder form and has to be reconstituted • ML (Milliliter) – Drug comes in a vial in liquid form • GR (Gram) – Used for ointments, creams, inhalers or bulk powder in a jar • F2 – Indicates international units
5. What are the advantages of using NDCs?
Using NDCs on medical claims facilitates more accurate payment and better management of drug costs based on what was dispensed. To save administrative time and effort in denials and resubmissions, BCBSNM systematically verifies NDCs and NDC units submitted by providers. Also, NDC pricing is updated monthly.

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Converting HCPCS/CPT Units to NDC Units

6. How do I calculate the NDC units?
Including the correct NDC units on your claims is essential. For example, for many powder vials the information displayed on the vial is only the dose (e.g., 500mg) – it doesn't actually display 1 UNIT, which is the appropriate NDC unit. To calculate the NDC units, you need to know a powder vial's NDC unit of measure is "UN." To convert HCPCS or CPT units to NDC units, registered Availity® users can access an online NDC Units Calculator Tool.
7. How do I access the NDC Units Calculator Tool?
To access the NDC Units Calculator Tool: <ol style="list-style-type: none">1) Log on to Availity at availability.com2) Select Claims Management from the Home page menu3) Click on NDC Units Calculator Tool4) You will be redirected to the RJ Health website, where the NDC Units Calculator Tool is located
8. What is RJ Health?
RJ Health is an independent third party pharmaceutical specialty company. They host the NDC Units Calculator Tool on their website.
9. What if I'm not a registered Availity user?
Visit availability.com for details. It's quick, easy and free to register online. Registration with Availity gives you access to a variety of online applications available to BCBSNM providers, including the NDC Units Calculator Tool.
10. How do I use the NDC Units Calculator Tool?
After you've used the link on the Availity provider portal to access the RJ Health NDC Units Calculator Tool, follow the steps below: <ol style="list-style-type: none">1) Fill in a HCPCS or CPT code and/or the drug name, or the NDC in the space provided.2) Click Search to go to the next screen.3) Select the specific NDC that was administered. If there are more drugs related to that HCPCS/CPT code than will fit on the screen, you may need to select the drug name first to see the full list displayed. The NDC selection will be on the next screen.4) The NDC Units screen will prompt you for the number of HCPCS/CPT units administered. Fill in the number of units and click Submit.5) A new box will appear. The Billable Units of Quantity Submitted is the number of NDC units to be entered on the claim.

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Submitting NDCs on Professional Claims

11. When submitting NDCs on my claim, what other information will I need to include?

When submitting NDCs on professional claims you must also include the following related information in order for your claim to be accepted and reimbursed at the NDC level:

- The applicable HCPCS or CPT code
- Number of HCPCS/CPT units
- NDC qualifier (N4)
- NDC unit of measure (UN, ML, GR, F2)
- Number of NDC units (up to three decimal places)
- Your billable charge for the HCPCS code and your billable charge for the NDC. On electronic claims include total charge per NDC service line. On paper claims you'll need price per NDC unit.

12. How should the NDC be entered on the claim?

You must enter the NDC on your claim as 11 digits (no spaces, hyphens or other characters). If the NDC on the package label is less than 11 digits, you must add a leading zero to the appropriate segment to create a 5-4-2 configuration. See the examples below:

Label Configuration	Add leading zero, Remove hyphens
4-4-2 (xxxx-xxxx-xx)	0xxxxxxxxxx
5-3-2 (xxxxx-xxx-xx)	xxxxx0xxxxx
5-4-1 (xxxxx-xxxx-x)	xxxxxxxx0x

13. Where do I enter NDC data on electronic claim (ANSI 5010 837P) transactions?

Here are general guidelines for including NDC data in an electronic claim:

Field Name	Field Description	Loop ID	Segment
Product ID Qualifier	Enter N4 in this field	2410	LIN02
National Drug Code	Enter the 11-digit NDC assigned to the drug administered	2410	LIN03
Monetary Amount	Enter the Total Charge Amount for each line of service	2400	SV102
National Drug Unit Count	Enter the quantity (number of NDC units)	2410	CTP04
Unit or Basis for Measurement	Enter the NDC unit of measure for the prescription drug given (UN, ML, GR, or F2)	2410	CTP05

14. Are there any special software requirements to consider when NDCs are included on electronic claims?

If you have converted to ANSI 5010, there should be no additional software requirements. Please verify with your software vendor to confirm that your Practice Management System accepts and transmits the NDC data fields appropriately. If you use a billing service or clearinghouse to submit electronic claims on your behalf, please check with them to ensure that NDC data is not manipulated or dropped inadvertently.

15. Where do I enter NDC data on a paper claim (CMS-1500)?

In the **shaded portion** of line-item field 24A-24G, enter NDC qualifier **N4** (left-justified), immediately followed by the NDC. Enter one space for separation. Next enter the appropriate qualifier for the correct dispensing unit of measure (F2, GR, ML or UN). Following this, enter the quantity (number of NDC units). Enter one space, followed by the price per unit.

24. A.	DATE(S) OF SERVICE					B.	C.	D. PROCEDURES, SERVICES, OR SUPPLIES			E.	F.	G.	H.	I.	J.
From	To	From	To	To	PLACE OF SERVICE	EMG	(Explain Unusual Circumstances)			DIAGNOSIS	\$ CHARGES	DAYS OR UNITS	EPSDT Family Plan	ID. QUAL.	RENDERING PROVIDER ID. #	
MM	DD	YY	MM	DD	YY		CPT/HCPCS	I	MODIFIER	POINTER						
N400409653301 UN2 4.73																
01	01	13	01	01	13	11	J3370			1	9.46	4	N		12345678901	
													NPI		0123456789	

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16. Can you give a billing example?

HCPCS code J9999 provides a good billing example. A patient receives Ziv-Alfibercept ZALTRAP 400 mg. Zaltrap is available as 200 mg per 8 mL (25 mg per mL) solution, single-use vial, NDC 00024-5841-01.

For this sample scenario:

- The NDC is 00024-5841-01 (the qualifier is N4)
- The unit of measure is ML
- The quantity (number of NDC units administered) is 16
- The quantity (number of J-code units administered) is 1
- The price per unit also must be included

On the CMS-1500, the data would be entered as follows: **N400024584101 ML16 480.00**

17. Can I use decimals in the NDC Units field?

BCBSNM allows **up to three decimals** in the NDC Units (quantity or number of units) field. The more specific your claim is, the more accurate your reimbursement will be.

18. How can I determine if the NDC is valid for the date of service?

The NDC Reimbursement Schedule includes NDC effective and end dates. (See Reimbursement Details section for details.)

19. What if I do not include the NDC and/or related data?

As of Nov. 1, 2013, professional/ancillary claims for drugs must include NDC data in order to be accepted for processing by BCBSNM, due to the implementation of NDC pricing. If the NDC data is not included, BCBSNM will return your claim to you.

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Reimbursement Details

20. How do I obtain NDC pricing information?
For general reimbursement information, use the Fee Schedule Request Form located in the Education & Reference/Forms section of our website. The NDC Fee Schedule will be available later this year.
21. When I use NDC codes on my claims, will I get paid for drugs I discard?
Reimbursement for discarded drugs applies only to single use vials. Multi-use vials are not subject to payment for discarded drug amounts of the drug.

For More Information

22. What if I have additional questions?
We have a variety of resources to assist you. <ul style="list-style-type: none">• For additional information about using NDCs on medical claims, please refer to the Provider Reference Manual, Section 8 – Claims.• Watch the Blue Review and online News and Updates for announcements on pharmacy optimization and other key initiatives at BCBSNM.• As always, your network representative is available to provide personalized assistance to you and your staff.

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