REMINDER: AHCCCS Rules and Policy regarding Billing Requirements for Drugs Administered in Outpatient Clinical Settings (NDC requirement)

April 5th, 2018

Dear Provider Partner,

Effective July 1, 2012, AHCCCS implemented new billing requirements for drugs administered in outpatient clinical settings. These requirements are in accordance with and support of the Federal Deficit Reduction Act of 2005, which mandates that all providers submit the National Drug Code (NDC) on all claims with procedure codes for physician-administered drugs in outpatient clinical settings. These services are currently represented on submitted claims by the use of the Healthcare Common Procedure Coding System (HCPCS) codes.

NDC Definition

The NDC is the number which identifies a drug. The NDC number consists of 11 digits in a 5-4-2 format. The first 5 digits identify the labeler code representing the manufacturer of the drug and are assigned by the FDA. The next 4 digits identify the specific drug product and are assigned by the manufacturer. The last 2 digits define the product package size and are also assigned by the manufacturer.

Providers of "physician-administered" drugs

Providers of "physician-administered" drugs include any AHCCCS registered provider whose license and scope of practice permits the administration of drugs, such as a medical doctor (MD), doctor of osteopathic medicine (DO), nurse practitioner (NP), physician assistant (PA), ambulatory surgery centers (ASCs), hospital outpatient clinic/services and skilled nursing facilities (SNFs).

HCPCS codes that will require the NDC information on the claim submission

Drugs billed using HCPCS codes include:

- A, C, J, Q and S codes as applicable.
- "Not otherwise classified" (NOC) and "Not otherwise specified" (NOS) drug codes (e.g., J3490, J9999, and C9399).
- CPT codes, 90281-90399 for immune globulins
- CPT Codes 90476-90749 for vaccines and toxoids

In order to comply with this mandate, contractors and providers **must** do the following, effective for the dates of service on or after July 1, 2012:

- Providers **must** submit a valid 11-digit NDC when billing a HCPCS drug or CPT procedure code as defined above.
- The qualifier "N4" must be entered in front of the 11-digit NDC. The NDC will be submitted on the same detail line as the CPT/HCPCS drug procedure code in the pink shaded area.

Note: Providers must also continue to submit Revenue Codes, HCPCS codes and related service units in addition to the required NDC information.

Remittance Advice if NDC is Submitted Incorrectly

If the NDC billing information is missing or invalid, claims may fail. AHCCCS FFS Providers and MCO Contractors will have to resubmit the claim(s) with the required NDC information and/or correct number of units within the time allowed for potential payment.

For additional guidance please reference the Health Choice Arizona Provider Manual Chanter 7 *General Billing Rules* which can be located at http://www.healthchoiceaz.com/provider-manual/

Sincerely,
Provider Network Operations