

# PROVIDER BULLETIN

# No. 08-28

July 24, 2008

**TO:** Hospitals participating in the Nebraska Medicaid Program.

**FROM:** Vivianne M. Chaumont, Director  
Division of Medicaid & Long-Term Care  
Department of Health and Human Services

**RE: OUTPATIENT HOSPITAL/FACILITY BILLING INSTRUCTIONS FOR REPORTING NATIONAL DRUG CODES**

Please share this information with administrative, clinical and billing staff.

This bulletin supplements previous instructions for providers who administer drugs in the outpatient/facility setting. See Provider Bulletin 08-02, 08-03 and 08-16 at the following website: <http://www.dhhs.ne.gov/med/pb/>

## NDC FREQUENTLY ASKED QUESTIONS

**1. Is it necessary to provide HCPCS codes on claim submissions to Medicaid?**

No, hospitals are NOT required to submit HCPCS codes. HCPCS codes are not used for outpatient hospital reimbursement.

**2. If the hospital billing system is set up to report drugs by HCPCS codes will Medicaid convert the HCPCS quantities to metric.**

No, Medicaid will not convert HCPCS quantities to some other unit of measurement. It is the responsibility of the provider to bill the appropriate NDC using the corresponding quantity for the NDC.

**3. Are Medicare primary claims excluded from the NDC requirement?**

No. Medicare primary claims will require NDCs.

**4. The Center for Medicare and Medicaid (CMS) has stated that the necessary modifications to Medicare systems will be implemented to capture and crossover the NDC effective October 1, 2008 (See June 2008 Communique at: <http://www.wpsmedicare.com>. Will providers be required to bill NDCs on crossover claims prior to October?**

While the ability of Medicare to capture and crossover the NDC will not be operational until October 2008, the provider is urged to continue making the necessary systems changes to accommodate reporting the NDC to Medicare.

However, the NDC for Medicare crossovers will not be required until October 2008.

**5. Are NDCs required on secondary claims to private insurance?**

Yes, the NDC is required on all fee-for-service claims even when the patient has other insurance.

**6. If the NDC is missing, will the entire claim be denied or the individual line item?**

At this time neither the claim or the individual line will be denied. However Medicaid will monitor provider claims for compliance. It may be, at a later time, that an edit will be implemented which will set at the claim line level and deny or reject the claim line.

**7. Will Medicaid audit the accuracy of the NDC on the claim?**

Yes, Medicaid will audit the accuracy of the NDC. Individual providers will be monitored and educational feedback will be provided.

**8. Is the July 1, 2008 effective date for reporting NDCs for the service date or submittal date?**

It has previously been stated that the effective date is with the submittal date. In reevaluating the requirement it has been determined that the effective date will be the service date.

**9. Could we have an extension if we have a contingency plan?**

The CMS mandated effective date was January 1, 2008. Nebraska Medicaid was granted a one time extension for six months. The effective date of July, 2008. All providers are encouraged to comply as soon as possible.

**10. At the recent NDC webinar held July 10, 2008, attendees were informed of a drug file which is available on the CMS website. Could we please have the website address and instructions for accessing the website?**

To access the CMS drug file go to the following website:  
[www.cms.hhs.gov/MedicaidDrugRebateProgram](http://www.cms.hhs.gov/MedicaidDrugRebateProgram) then select "Overview", then select "Drug Product Data", then select the download "drug product data" and open the zip file.

**11. If we inadvertently charge an incorrect NDC number to a specific patient is there any penalty assessed and if so what is the penalty?**

There will be no penalty. This may however result in a loss of rebate for the State. If a pattern of incorrect reporting is found, we would generally first provide feedback and ask for corrections. If errors continue, other actions may be needed.

**12. Do we need to report NDCs for compound drugs?**

Yes the NDC for each drug of the compounded drug needs to be reported. On the paper UB-04 each drug is reported on a separate line.

**13. What is the dollar value of the rebates invoiced by DHHS for hospitals and physicians?**

Nearly \$14 Million for the last calendar quarter. This includes drug claims paid to pharmacies and the rebates on the J Codes that we captured via the crosswalk, and NDCs included on practitioner claims.

**14. Is there a website for a HCPCS to NDC crosswalk?**

A crosswalk for HCPCS to NDCs is at: <http://www.palmettogba.com>

**15. How are the NDC quantities for inhalers reported?**

For Symbicort the quantity is reported by grams, for Pulmicort Flexhaler the quantity is reported by each unit, and for Advair Diskus by inhalation with each as a unit. For Advair HFA, according to the CMS rebate tape, it is reported per gram weight of the container.

**16. In Provider Bulletin 08-16, the examples for reporting quantities for Lotion/Cream/Ointment and for reporting Non-Injectable Solution or Suspension for Reconstitution (powder for oral suspension) were confusing. Could you please clarify?**

Form	UN	GR	ML	F2	Examples
Cream/Ointment (1 gm or greater) utilize product labeling		X			One 5gm tube of Emla Cream is NDC quantity 5
Lotion (1 gm or greater) utilize product labeling			X		One 60ml bottle of Lindane 1% Lotion is NDC quantity 60
Non-Injectable Solution or Suspension for Reconstitution (powder for oral suspension)			X		One 150ml bottle of Amoxicillin (powder for reconstitution) 250mg/ml is NDC quantity 150

If you have any further questions, please feel free to contact Margaret Booth at 402-471-9380 or [margaret.booth@dhhs.ne.gov](mailto:margaret.booth@dhhs.ne.gov) or Gary Cheloha at 402-471-0800 or [gary.cheloha@dhhs.ne.gov](mailto:gary.cheloha@dhhs.ne.gov)