Physician-Administered Drugs

Billing Requirements

Health Systems Division
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Fee-for-service coverage

PHYSICIAN-ADMINISTERED DRUGS
What does OHA cover?

• Physician-administered drugs that are administered:
  – By the practitioner,
  – In home, office, clinic, and outpatient hospital settings, and
  – Part of the Medicaid Drug Rebate Program.

• OHA will not reimburse practitioners for self-administered drugs.
  – Exception: Contraceptives

• See Oregon Administrative Rule 410-130-0180 in the Medical-Surgical program guidelines for physician-administered drug exceptions and requirements.
Medicaid Drug Rebate Program

• States receive federal Medicaid funding only for outpatient drugs that are part of the Medicaid Drug Rebate Program.

• To find out if a drug is part of this program:
  – Review the Medicaid Drug Rebate Program data files on the Centers for Medicare and Medicaid Services website.
  – Any drug not listed in these files is not covered by Medicaid.
Drug Products in the Medicaid Drug Rebate Program...

Active drugs that have been reported by participating drug manufacturers under the Medicaid Drug Rebate Program. All drugs are identified by National Drug Code (NDC), unit type, units per package size, product name, Food and Drug Administration (FDA) approval date, the date the drug entered the market, plus indicators to show whether the drug is an innovator or non-innovator drug; whether it is available by prescription or over-the-counter (OTC), the FDA therapeutic equivalency code; and the Drug Efficacy Study Implementation (DESII) rating and termination date. Each quarter posted represents a snapshot of data in the system at that time and is not updated by subsequent changes.
National Drug Code reporting

PHYSICIAN-ADMINISTERED DRUGS
National Drug Code (NDC) reporting

- All providers must report the NDC for all physician-administered drugs billed to Oregon Medicaid:
  - Medical professionals
  - Clinics
  - Specialty centers
  - Hospitals
  - 340B providers

- Physician-administered drugs that do not include the NDC will deny for corrections.

- Immunizations, vitamins, and oral nutritional supplements do not require NDC reporting.
What is the NDC?

- The NDC is the unique identifier for each drug product manufactured in the United States.
- It contains three segments:

12345 – 6789 – 01

- **Labeler code**: Assigned by the Food and Drug Administration (FDA)
- **Product code**: Assigned by the drug manufacturer
- **Package code**: Assigned by the drug manufacturer
Where to find the NDC

- The NDC is on the drug package (i.e., container, vial, bottle, tube).
- The NDC reported to Medicaid must be the one listed on the package that the administered drug came from.
NDC reporting on PAD claims

• When billing for the administration of a physician-administered drug:
  – Bill the procedure code for the administration, and
  – Bill the procedure code for the drug.

• When there is no drug-specific procedure code:
  – Use an appropriate unlisted code, and
  – Bill at acquisition cost.

<table>
<thead>
<tr>
<th>Unlisted HCPCS codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>J3490</td>
</tr>
<tr>
<td>J7799</td>
</tr>
<tr>
<td>J7999 valid for a compounded drug (e.g. off-label Avastin)</td>
</tr>
</tbody>
</table>
CMS-1500 and UB-04

• On both professional and institutional claims, enter the following:
  – N4
  – 11-digit NDC in 5-4-2 format (*add a space on CMS-1500 claims*)
  – NDC unit of measure qualifier
  – NDC quantity
    • If entering a whole number, do not use a decimal
    • If entering a fraction, use a decimal with a leading zero (0.5)
    • Do not use commas
Paper claim examples

- CMS-1500 claim: NDC quantity limited to 8 digits before and 3 digits after decimal

- UB-04 claim: NDC quantity fractional units limited to 3 digits after decimal
NDC Units of Measurement

• GR (gram)
  – Solid substances: powders, creams, ointments, etc.

• ML (milliliter)
  – Injectables in prepackaged syringe
  – Unit dose liquids

• UN (unit)
  – Vials of powder form drug that must be reconstituted
  – Tablets, capsules, suppositories, lozenges, etc.

• F2 (international unit)
  – Factor VIII – Antihemophilic factors
NDC format

- Convert 10-digit NDCs into the 11-digit (5-4-2) format by adding leading zeroes as appropriate.

<table>
<thead>
<tr>
<th>NDC on label</th>
<th>Format</th>
<th>11-digit (5-4-2) NDC</th>
</tr>
</thead>
<tbody>
<tr>
<td>05678-123-01</td>
<td>5-3-2</td>
<td>05678-0123-01</td>
</tr>
<tr>
<td>5678-0123-01</td>
<td>4-4-2</td>
<td>05678-0123-01</td>
</tr>
<tr>
<td>05678-0123-1</td>
<td>5-4-1</td>
<td>05678-0123-01</td>
</tr>
</tbody>
</table>
HCPCS units and NDC quantity

- HCPCS units and NDC quantity may not be the same.
  - HCPCS codes reflect service units
  - NDC reflects the amount of the drug administered in relation to the drug ratio
Paper claim example, single line

- 4mg Zofran IV
  - NDC 00173-0442-02 (Zofran 2mg/ml); bill ML2
  - HCPCS J2405 (ondansetron hydrochloride, per 1mg); bill 4 units
Paper claim example, multiple lines

- 125 mcg Aranesp (darbepoetin alfa)
- Line one:
  - NDC 55513-0057-04 (Aranesp 25mcg/0.42 ML); bill ML0.42
  - HCPCS J0881 (Darbepoetin Alfa NON-ERSD, 1mcg); bill 25 units
- Line two:
  - NDC 55513-0025-04 (Aranesp 100mcg/0.5 ML); bill ML0.5
  - HCPCS J0881 (Darbepoetin Alfa NON-ERSD, 1mcg); bill 100 units
Multiple-dose vs. single-dose

• Multi-dose vial
  – Can be used for more than one patient
  – Only bill units administered to the patient

• Single-dose vial
  – Can only be used for one patient
  – Bill for the whole vial
Electronic data interchange (EDI)

• 837P (professional)
  – Enter 'HC' in SV101-1 (Product or Service ID Qualifier) of loop 2400
  – Enter the appropriate HCPCS drug code (Procedure Code) in SV101-2 of loop 2400
  – Enter the NDC in LIN03 of loop 2410
  – Enter the Unit or Basis for Measurement Code in section CTP of loop 2410

• 837I (institutional)
  – Enter the NDC in LIN03 of loop 2410
  – Enter the unit or Basis for Measurement Code in section CTP of loop 2410

http://www.oregon.gov/oha/hsd/ohp/Pages/edi-resources.aspx
340B drugs

PHYSICIAN-ADMINISTERED DRUGS
What is 340B?

- **A federal program** that allows eligible providers to purchase drugs at discounted rates.
- Medicaid cannot collect rebates on drugs purchased through the 340B program.
- Eligible providers include:
  - Federally Qualified Health Centers (FQHC)
  - Disproportionate share hospitals (DSH)
  - Office of Tribal Programs or Urban Indian Organizations
  - Family Planning Clinics
  - State-operated AIDS Drug Assistance Program (ADAP)
Billing for 340B drugs

• Bill no more than the actual acquisition cost
• Add modifier “UD” to the HCPCS code
Provider resources

PHYSICIAN-ADMINISTERED DRUGS
More information

- NDC information
  [www.oregon.gov/OHA/HSD/OHP/Pages/ndc.aspx](http://www.oregon.gov/OHA/HSD/OHP/Pages/ndc.aspx)

- OHP for Providers:
  [www.oregon.gov/OHA/HSD/OHP](http://www.oregon.gov/OHA/HSD/OHP), then click “OHP for Providers”

- OHP policies
  [www.oregon.gov/OHA/HSD/OHP/Pages/Policies.aspx](http://www.oregon.gov/OHA/HSD/OHP/Pages/Policies.aspx)

- Electronic data interchange resources
  [www.oregon.gov/OHA/HSD/OHP/Pages/edi.aspx](http://www.oregon.gov/OHA/HSD/OHP/Pages/edi.aspx)

- Medicare NDC/HCPCS Crosswalk
  [https://www.dmepdac.com/palmetto/PDAC.nsf/DID/B723CU33](https://www.dmepdac.com/palmetto/PDAC.nsf/DID/B723CU33)
Contacts

• If billing OHA:
  – Pharmacy Program: dmap.rxquestions@dhsoha.state.or.us
  – Provider Services: 800-336-6016

• If billing a coordinated care organization (CCO):
  – Contact the CCO: www.oregon.gov/OHA/OHP/HSD/Pages/Coordinated-Care-Organizations.aspx

• CCOs:
  – Contact your Encounter Data Liaison.