
Physician-Administered Drugs

Billing Requirements

Health Systems Division
August 2019



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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.

Searchable Drug Rebate List

Data.Medicaid.gov

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Drug Products in the Medicaid Drug Rebat...

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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 (DESI) 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.

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Year ↓	Quar...	Labeler Name	NDC	Label..	Prod...	Package...	Drug Cate...	Drug Ty...	Ti
2019	1	ELI LILLY AND COMPANY	00002120001	00002	1200	01	S	1	
2019	1	ELI LILLY AND COMPANY	00002140701	00002	1407	01	S	1	03
2019	1	ELI LILLY AND COMPANY	00002143301	00002	1433	01	S	1	
2019	1	ELI LILLY AND COMPANY	00002143300	00002	1433	00	S	1	

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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.

Unlisted HCPCS codes

J3490

J3590

J7599

J7699

J7799

J8499

J8999

J9999

J7999 valid for a compounded drug (e.g. off-label Avastin)

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

24. A. DATE(S) OF SERVICE						B.	C.	D. PROCEDURES, SERVICES, OR SUPPLIES		E.	F.		G.	H.	I.	J.
From To						PLACE OF	EMG	(Explain Unusual Circumstances)		DIAGNOSIS	\$ CHARGES		DAYS	EPSDT	ID.	RENDERING
MM	DD	YY	MM	DD	YY	SERVICE		CPT/HCPCS	MODIFIER	POINTER			OR	Family	QUAL.	PROVIDER ID. #
N412345678901 UN2								J#####	UD [for 340B drugs]	1	###	##	20		NPI	123456789
MM	DD	YY	MM	DD	YY	1		J#####	UD [for 340B drugs]	1	###	##	20		NPI	123456789

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

43 DESCRIPTION	44 HCPCS / RATE / HIPPS CODE
N412345678901UN1234.567	[Enter Modifier "UD" for 340B drugs]

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.

NDC on label	Format	11-digit (5-4-2) NDC
05678-123-01	5-3-2	05678-0123-01
5678 -0123-01	4-4-2	05678 -0123-01
05678-0123-1	5-4-1	05678-0123- 01

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

24. A. DATE(S) OF SERVICE						B.	C.	D. PROCEDURES, SERVICES, OR SUPPLIES				E.	F.	G.	H.	I.	J.
From		To				PLACE OF	EMG	(Explain Unusual Circumstances)		DIAGNOSIS	\$ CHARGES	DAYS	OR	EPSDT	D.	RENDERING	
MM	DD	YY	MM	DD	YY	SERVICE		CPT/HCPCS	MODIFIER	POINTER		OR	Family	QUAL.	PROVIDER ID. #		
N400173044202 ML2								J2405					4		NPI		

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

24. A. DATE(S) OF SERVICE						B.	C.	D. PROCEDURES, SERVICES, OR SUPPLIES				E.	F.	G.	H.	I.	J.
From To						PLACE OF SERVICE	EMG	(Explain Unusual Circumstances)				DIAGNOSIS POINTER	\$ CHARGES	DAYS OR UNITS	EPSDT Family Plan	ID. QUAL.	RENDERING PROVIDER ID. #
MM	DD	YY	MM	DD	YY			CPT/HCPCS	MODIFIER								
N45513005704 ML0.42								J0881	UD					25		NPI	
N45513002504 ML0.5								J0881	UD					100		NPI	

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
- OHP for Providers:
www.oregon.gov/OHA/HSD/OHP, then click “OHP for Providers”
- OHP policies
www.oregon.gov/OHA/HSD/OHP/Pages/Policies.aspx
- Electronic data interchange resources
www.oregon.gov/OHA/HSD/OHP/Pages/edi.aspx
- Medicare NDC/HCPCS Crosswalk
<https://www.dmepdac.com/palmetto/PDAC.nsf/DID/B723CU33>

Contacts

- If billing OHA:
 - Pharmacy Program: dmap.rxquestions@odhsoha.oregon.gov
 - Provider Services: 800-336-6016

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

- CCOs:
 - Contact your Encounter Data Liaison.