



November 27, 2024 - **NEW AMENDED VERSION**

**PROVIDER ALERT: MedStar Family Choice-Maryland**  
**Effective 12/1/24**  
**National Drug Code (NDC) Reporting Requirements**

The purpose of this notice is to advise MedStar Family Choice participating infusion providers that each drug code must be billed with the exact number of units for a specific date of service and should not be billed with a date range. This will help avoid claim denials when submitting claims for reimbursement and ensure claims are processed accurately.

Additionally, here is a reminder of National Drug Code (NDC) reporting requirements to avoid any delays or denials of claim payments.

**What is an NDC?**

The NDC is a universal number that identifies a drug. The NDC consists of 11 digits in a 5-4-2 format. The first five digits identify the manufacturer of the drug and are assigned by the U.S. Food and Drug Administration (FDA). The remaining digits are assigned by the manufacturer and identify the specific product and package size. Some packages will display fewer than 11 digits, but leading zeros can be assumed and should be used when billing. **Do not bill using invalid or obsolete NDC numbers.**

**Acceptable Units of Measure**

There are different acceptable units of measurements that can be used when billing with NDC information. The appropriate one to use is based on the type of drug. See below for acceptable units of measure.

Code	Unit Type	Description
F2	International Unit	Products described as IU/vial or micrograms
GR	Gram	Ointments, creams, inhalers, or bulk power in a jar
ML	Milliliter	Liquid, solution, or suspension
UN	Unit (EA/Each)	Powder for injection (needs to be reconstituted), pellet, kit, patch, tablet, device
ME	Milligram	ME is also a valid unit of measure, but we recommend using the more appropriate UN or ML unit of measure, as this is generally how drugs are priced



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## **When to include an NDC on a claim**

**NDC numbers must be included in the correct NDC format on professional and institutional claims when billing for:**

- Drug-related revenue codes
- Drug-related CPT codes, including miscellaneous and unlisted drug codes
- Drug-related HCPCS codes, including miscellaneous and unlisted related codes such as A, B, J, Q, and S HCPCS codes.

## **Discarded Drugs**

Modifier JW is used on a drug claim to report the amount of drug or biological that is discarded and eligible for payment. The modifier is only used for drugs in a single dose or single use packaging.

## **Modifier KP and KQ**

The KP modifier is used in medical billing for injections that involve multiple NDC codes. The KP modifier is appended to the appropriate code when two or more drugs are combined and dispensed to a member in the same unit dose container.

The KP modifier is added to only one of the unit dose form codes and the KQ modifier is added to the other unit dose code(s).

## **Billing the same HCPCS code on multiple lines for same date of service**

If the same HCPCS code is billed on multiple lines with the same date of service, the appropriate modifier must be billed regardless if the NDC codes are different.

## **Data Elements Required to Report NDC**

- A valid NDC format allows for the entry of 61 characters, without skipping a space or adding hyphens
- Report the NDC Qualifier of "N4" in the first two positions, left justified
- Immediately followed by the 11-digit NDC number in the 5-4-2 format (do not use hyphens and pad w/zeros if needed)
- Immediately followed by one of the Unit of Measurement (UOM) Qualifiers listed below (2-digit):
  - F2 International Unit
  - GR Gram
  - ML Milliliter
  - UN Units EA/Each)
  - ME Milligram
- Immediately followed by the NDC Unit Quantity administered to the patient. The Unit Quantity with a floating decimal for fractional units is limited to three (3) digits to the right



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of the decimal point. A maximum of seven (7) positions to the left of the floating decimal may be reported.

- When reporting a whole number, do not key the floating decimal.
- When reporting fractional units, you must enter the decimal as part of the entry.

### Sample National Drug Code:

Whole Number Unit:

N 4 1 2 3 4 5 6 7 8 9 0 1 U N 1 2 3 4 5 6 7

Fractional Unit:

N 4 1 2 3 4 5 6 7 8 9 0 1 U N 1 2 3 4 . 5 6 7

### Professional (CMS 1500) Paper Claim Submission

Providers are required to bill an NDC number, NDC unit of measure, and NDC units administered, as well as the HCPCS equivalent code on a claim. If the NDC number on the claim does not have a specific HCPCS or CPT code assigned to it, please assign the appropriate miscellaneous code.

The NDC number reported must be the actual NDC number on the package or container from which the medication was administered.

Using the CMS 1500 form, enter the NDC information in field 24. There are six service lines in field 24 with shaded areas. Place the NDC information in the claim line's top shaded part of field 24A.

### Example

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	EPSTD Family Plan	ID. QUAL	RENDERING PROVIDER ID. #
MM	DD	YY	MM	DD	YY		CPT/HCPCS	MODIFIER						
N460793070010 ML1														
09	01	19	09	01	19	11	J0561		A	12:00	6		NPI	123456789

When entering the supplemental NDC information for the NDC, add it in the following order:

- "N4" qualifier
- 11-digit NDC code
- Add one space
- Two-character unit of measure and the quantity



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## **Professional (837P) Electronic Claim Submission**

Providers are required to bill an NDC number, NDC unit of measure, and NDC units administered, as well as the HCPCS equivalent code on a claim. If the NDC number on the claim does not have a specific HCPCS or CPT code assigned to it, please assign the appropriate miscellaneous code.

Loop	Segment	Element Name	Information
2410	LIN	02	Product or Service ID Qualifier – If billing for an NDC, enter “N4”
2410	LIN	03	Product or Service ID – If billing for drugs, include the 11-digit NDC Sample: LIN**N4*12345678901
2410	CTP	04	Quantity – If an NDC was submitted in LIN03, include the administered NDC quantity
2410	CTP	05-1	Unit or Basis for Measurement Code – If an NDC was submitted in LIN03, include the unit or basis for measurement code for the NDC billed Sample: CTP****3*UN

## **Facility (UB04) Paper Claim Submission**

When billing a facility claim, include the applicable Revenue code, NDC number, NDC unit of measure, and NDC units administered, as well as the HCPCS equivalent code when appropriate.

The NDC number reported must be the actual NDC number on the package or container from which the medication was administered.

Using the UB04 form, enter the NDC information in Form Locator (FL) 43 and fill out the following fields:

- FL 42 – Include the appropriate revenue code
- FL 43 – Include the 11-digit NDC code, unit of measurement and quantity
- FL 44 – Include the HCPCS code if required

## **Example**

42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATE / HIPPS CODE	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES	48 NON-COVERED CHARGES	49
636	N412345678901 UN12	HCPCS		1	10	0	



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When entering the supplemental NDC information for the NDC, add it in the following order:

- “N4” qualifier
- 11-digit NDC code
- Add one space
- Two-character unit of measure and the quantity

## **Facility (837I) Electronic Claim Submission**

When billing a facility claim, include the applicable Revenue code, NDC number, NDC unit of measure, and NDC units administered, as well as the HCPCS equivalent code when appropriate.

Loop	Segment	Element Name	Information
2410	LIN	02	Product or Service ID Qualifier – If billing for an NDC, enter “N4”
2410	LIN	03	Product or Service ID – If billing for drugs, include the 11-digit NDC Sample: LIN**N4*12345678901
2410	CTP	04	Quantity – If an NDC was submitted in LIN03, include the administered NDC quantity
2410	CTP	05-1	Unit or Basis for Measurement Code – If an NDC was submitted in LIN03, include the unit or basis for measurement code for the NDC billed Sample: CTP****3*UN

## **340B**

Hospital facilities and Federally Qualified Health Centers participating in the 340B program **are required** to bill an NDC number.

For questions concerning this Provider Alert, please contact the MedStar Family Choice-Maryland Provider Customer Services Department, Monday through Friday, 8 a.m. to 5:00 p.m.  
Telephone: **800-261-3371** or  
Email: **mfc-providerrelations2@medstar.net**