



**Update**

**August 2010**

**No. 2010-74**

**Affected Programs:** BadgerCare Plus, Medicaid, Family Planning Waiver

**To:** Blood Banks, Dentists, Family Planning Clinics, Federally Qualified Health Centers, Home Health Agencies, Narcotic Treatment Services Providers, Nurse Practitioners, Nurse Midwives, Pharmacies, Physician Assistants, Physician Clinics, Physicians, Podiatrists, Rural Health Clinics, HMOs and Other Managed Care Programs

## Reminder of Deficit Reduction Act Policy for Prescribers

This *ForwardHealth Update* reminds prescribers of the claim submission requirements of the Deficit Reduction Act of 2005.

Under the Deficit Reduction Act of 2005 (DRA), providers are required to submit National Drug Codes (NDCs) with Healthcare Common Procedure Coding System (HCPCS) procedure codes on claims for provider-administered drugs. Section 1927(a)(7)(B) of the Social Security Act requires NDCs to be indicated on all claims submitted to ForwardHealth, including Medicare crossover claims. If an NDC is not indicated on a claim submitted to ForwardHealth, or if the NDC indicated is invalid, the claim will be denied.

Radiopharmaceuticals are included in the DRA requirements. Providers will be required to indicate NDCs with HCPCS procedure codes on claims for radiopharmaceuticals.

*Note:* Vaccines continue to be exempt from the DRA requirements.

As a reminder, a provider-administered drug is either an oral, injectable, intravenous, or inhaled drug administered by a physician or a designee of the physician (e.g., nurse, nurse practitioner, physician assistant) or incidental to a physician service. This

includes, but is not limited to, all "J" codes and drug-related "Q" codes.

Information in this *ForwardHealth Update* applies to members enrolled in the BadgerCare Plus Standard Plan, the BadgerCare Plus Benchmark Plan, the BadgerCare Plus Core Plan, and Medicaid. It does not apply to members enrolled in the BadgerCare Plus Basic Plan, SeniorCare, or Wisconsin Chronic Disease Program.

### Claim Submissions

Claims for provider-administered drugs may be submitted to ForwardHealth via the following:

- A 1500 Health Insurance Claim Form.
- The 837 Health Care Claim: Professional (837P) transaction.
- The Direct Data Entry (DDE) on ForwardHealth Portal at [www.forwardhealth.wi.gov/](http://www.forwardhealth.wi.gov/).
- The Provider Electronic Solutions (PES) software.

Other claim submission policies for provider-administered drugs remain unchanged.

### 1500 Health Insurance Claim Form

National Drug Codes for provider-administered drugs must be indicated in the shaded area of Elements 24A-24G on the 1500 Health Insurance Claim Form. The

NDC must be accompanied by an NDC qualifier, unit qualifier, and units. To indicate an NDC, providers should do the following:

- Indicate the NDC qualifier "N4," followed by the 11-digit NDC of the drug dispensed with no space in between.
- Indicate one space between the NDC and the unit qualifier.
- Indicate one unit qualifier (F2 [International unit], GR [Gram], ML [Milliliter], or UN [Unit]), followed by the NDC units with no space in between.

N412345678901 UN1234.567 is an example of what may be indicated in Elements 24A-24G of the 1500 Health Insurance Claim Form.

Providers should indicate the appropriate NDC of the drug that was dispensed that corresponds to the HCPCS procedure code on claims for provider-administered drugs. If an NDC is not indicated on the claim, or if the NDC indicated is invalid, the claim will be denied.

### ***837 Health Care Claim: Professional Transactions***

Providers may refer to the National Uniform Claim Committee (NUCC) Web site at [www.nucc.org/](http://www.nucc.org/) for information about indicating NDCs on provider-administered drug claims submitted using the 837P transaction.

### ***Direct Data Entry on the ForwardHealth Portal***

The following must be indicated on provider-administered drug claims submitted using DDE on the Portal:

- The NDC of the drug dispensed.
- Quantity unit.
- Unit of measure.

*Note:* The "N4" NDC qualifier is not required on claims submitted on the Portal.

### ***Provider Electronic Solutions Software***

ForwardHealth offers electronic billing software at no cost to providers. The PES software allows providers to submit 837P transactions, adjust claims, and check claim status. To obtain PES software, providers may download it from the ForwardHealth Portal. For assistance installing and using PES software, providers may call the EDI Helpdesk at (866) 416-4979.

### ***Explanation of Benefits Codes on Claims for Provider-Administered Drugs***

Providers will receive the following Explanation of Benefits (EOB) codes on claims with a denied detail for a provider-administered drug if the claim does not comply with the standards of the DRA:

- 1198 — "A National Drug Code (NDC) is required for this HCPCS code."
- 1199 — "Multiple National Drug Codes (NDCs) are not allowed for this HCPCS code or NDC and HCPCS code are mismatched."
- 1200 — "The National Drug Code (NDC) submitted with this HCPCS code is CMS terminated or not covered by the program."
- 1201 — "Invalid Quantity for the National Drug Code (NDC) submitted with this HCPCS code."

If a provider receives one of the previously listed EOB codes on a claim for a provider-administered drug, he or she should correct and resubmit the claim for reimbursement.

### ***For More Information***

Providers may refer to the ForwardHealth Online Handbook on the Portal for more information about provider-administered drugs.

Additional information about the DRA and claim submission requirements can be located on the Centers for Medicare and Medicaid Services DRA information page at [www.cms.gov/DeficitReductionAct/](http://www.cms.gov/DeficitReductionAct/) and on the NUCC Web site.

For information about NDCs, providers may refer to the following Web sites:

- The FDA Web site at [www.fda.gov/Drugs/InformationOnDrugs/ucm142438.htm](http://www.fda.gov/Drugs/InformationOnDrugs/ucm142438.htm).
- The Drug Search Tool on the Pharmacy page of the Portal. (Providers may verify that the NDC of the drug dispensed and its segments are valid using this Web site.)
- The Noridian Administrative Services NDC to HCPCS crosswalk at [www.dmepdac.com/crosswalk/](http://www.dmepdac.com/crosswalk/).

### **Information Regarding Managed Care Organizations**

This *Update* contains fee-for-service policy for members enrolled in Medicaid and BadgerCare Plus who receive pharmacy services on a fee-for-service basis only.

Pharmacy services for Medicaid members enrolled in the Program of All-Inclusive Care for the Elderly (PACE) and the Family Care Partnership are provided by the member's managed care organization. Medicaid and BadgerCare Plus HMOs must provide at least the same benefits as those provided under fee-for-service.

The *ForwardHealth Update* is the first source of program policy and billing information for providers.

Wisconsin Medicaid, BadgerCare Plus, SeniorCare, and Wisconsin Chronic Disease Program are administered by the Division of Health Care Access and Accountability, Wisconsin Department of Health Services (DHS). The Wisconsin Well Woman Program is administered by the Division of Public Health, Wisconsin DHS.

For questions, call Provider Services at (800) 947-9627 or visit our Web site at [www.forwardhealth.wi.gov/](http://www.forwardhealth.wi.gov/).

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