



Update

August 2010

No. 2010-75

Affected Programs: BadgerCare Plus, Medicaid

To: End-Stage Renal Disease Services Providers, HMOs and Other Managed Care Programs

Deficit Reduction Act Policy for End-Stage Renal Disease Services Providers

This *ForwardHealth Update* reiterates the Deficit Reduction Act of 2005 (DRA) policy for end-stage renal disease (ESRD) providers who submit claims for provider-administered drugs. Effective for dates of service on and after September 15, 2010, ForwardHealth is enhancing claims processing for ESRD claims for provider-administered drugs to ensure claims contain all information that is required under the DRA.

This *ForwardHealth Update* reiterates ForwardHealth's policy of the Deficit Reduction Act of 2005 (DRA) and how it applies to end-stage renal disease (ESRD) providers who submit claims for provider-administered drugs. Effective for dates of service (DOS) on and after September 15, 2010, ForwardHealth is enhancing the claims processing system for provider-administered drugs to ensure that claims contain all information that is required under the DRA.

Under the 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 is 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. Providers who receive reimbursement under a bundled rate are not subject to 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 *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

According to Medicare guidelines, ESRD providers should continue to submit claims to ForwardHealth for all ESRD services for fee-for-service members, except

for provider-administered drugs. Additional claim submission instructions for provider-administered drugs are described below.

For members enrolled in managed care organizations (MCOs), claims for provider-administered drugs should be submitted to ForwardHealth (not the MCO) according to Medicare guidelines, except for provider-administered drugs. Additional claim submission instructions for provider-administered drugs are described below. Managed care organizations are responsible for reimbursing providers for all other ESRD services.

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

- A UB-04 (CMS 1450) Claim Form.
- The 837 Health Care Claim: Institutional (837I) transaction.
- The Direct Data Entry (DDE) on ForwardHealth Portal at www.forwardhealth.wi.gov/.
- The Provider Electronic Solutions (PES) software.

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

UB-04 Claim Form

On a UB-04 Claim Form, in addition to the appropriate drug revenue code and the HCPCS procedure code corresponding to the drug dispensed, the following must be indicated in Form Locator 43:

- A left-justified NDC qualifier “N4,” followed by the 11-digit NDC of the drug dispensed, with no space in between.
- The unit of measurement qualifier (F2 [International unit], GR [Gram], ML [Milliliter], or UN [Unit]).
- The quantity of the NDC billed, with a floating decimal for fractional units limited to three digits. Floating decimals for fractional units should be indicated to the right of the decimal.

For example, N412345678901 UN1234.567 may be indicated on the UB-04 Claim Form in Form Locator 43.

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.

For sample UB-04 claim forms, providers may refer to the UB-04 manual on the National Uniform Billing Committee (NUBC) Web site at www.nubc.org/.

837 Health Care Claim: Institutional Transactions

Providers may refer to the NUBC Web site for information about indicating NDCs on provider-administered drug claims submitted using the 837I 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 **837I** 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, the provider 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/ and on the NUBC 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.
- 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.dmeptac.com/crosswalk/.

Information Regarding Managed Care Organizations

This *Update* contains fee-for-service policy and applies to services members receive on a fee-for-service basis only. For managed care policy, contact the appropriate MCO. Managed care organizations are required to provide at least the same benefits as those provided under fee-for-service arrangements.

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/.

P-1250