ForwardHealth
Wisconsin serving you

Update
September 2013

No. 2013-47

Affected Programs: BadgerCare Plus, Medicaid
To: Advanced Practice Nurse Prescribers with Psychiatric Specialty, Ambulatory Surgery Centers, Blood Banks, Dentists, End-Stage Renal Disease Service Providers, Family Planning Clinics, Federally Qualified Health Centers, Home Health Agencies, Hospital Providers, Narcotic Treatment Service Providers, Nurse Midwives, Nurse Practitioners, Nursing Homes, Pharmacies, Physician Assistants, Physician Clinics, Physicians, Podiatrists, Rural Health Clinics, HMOs and Other Managed Care Programs

Additional Information and Clarifications Regarding Professional Claims for Compound and Noncompound Drugs

This *ForwardHealth Update* clarifies professional claim submission requirement policies for provider-administered drugs submitted with Healthcare Common Procedure Coding System codes and includes new policy regarding submitting National Drug Codes on professional claims.

This *ForwardHealth Update* clarifies professional claim submission requirement policies for provider-administered drugs submitted with Healthcare Common Procedure Coding System (HCPCS) procedure codes and includes new policy regarding submitting National Drug Codes (NDCs) on professional claims.

Information in this *Update* applies to professional claims submitted for compound and noncompound drugs with specific and non-specific HCPCS procedure codes for BadgerCare Plus Standard Plan, BadgerCare Plus Benchmark Plan, BadgerCare Plus Core Plan, and Medicaid members.

Provider-Administered Drugs

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). These services are identified on professional claims by "J" codes and drug-related "Q" codes.

Many provider-administered drugs are assigned a HCPCS procedure code; however, some drugs do not have an assigned HCPCS procedure code. Claims for drugs that do not have an assigned HCPCS procedure code may be submitted with a not otherwise classified (NOC) procedure code.

Note: Providers who submit claims for drugs with a NOC HCPCS procedure code must determine if there is another, more specific HCPCS procedure code that could be indicated to describe the procedure or service being performed or provided, unless otherwise directed by ForwardHealth.

Deficit Reduction Act Reminder

Under the Deficit Reduction Act of 2005, providers are required to submit NDCs with HCPCS procedure codes on professional claims for provider-administered drugs. Section 1927(a)(7)(C) of the Social Security Act requires NDCs to be indicated on all claims submitted to ForwardHealth for covered outpatient drugs, including Medicare crossover claims. If an NDC is not indicated on a claim detail

submitted to ForwardHealth, or if the NDC indicated is invalid, the claim detail will be denied.

Documenting and Billing the Appropriate National Drug Code

A drug may have multiple manufacturers, so it is vital to use the NDC of the administered drug and not another manufacturer's product, even if the chemical name is the same. It is important that providers develop a process to capture the NDC when the drug is administered. Providers should not preprogram their billing systems to automatically default to NDCs that do not accurately reflect the product that was administered to the member.

Submitting a claim with an NDC other than the NDC on the package from which the drug was dispensed is considered an unacceptable practice based on the claim submission requirements in DHS 106.03(3), Wis. Admin. Code, and the definition of covered services in DHS 107.10, Wis. Admin. Code.

Upon retrospective review, ForwardHealth may seek recoupment for the payment of a claim from the provider if the NDC(s) submitted does not accurately reflect the product that was administered to the member.

Revised Procedures for Submitting National Drug Code Information on Professional Claims

Effective for dates of service (DOS) on and after October 16, 2013, ForwardHealth has revised procedures for submitting NDC information on professional claims. Providers who submit a professional claim detail for a drug with HCPCS procedure codes are required to follow current National Uniform Claim Committee (NUCC) claim submission procedures for providing NDC information on the claim detail. Providers may refer to the NUCC Web site at *www.nucc.org/* for information about indicating NDCs on provider-administered drug claims.

Submitting Multiple National Drug Codes per Procedure Code

ForwardHealth has revised the process for submitting multiple NDCs to conform with changes to the claim standard made by NUCC. Providers should note that if two or more NDCs are to be submitted for a single procedure code, the procedure code must be repeated on separate details for each unique NDC. Whether billing a compound or noncompound drug, the procedures for billing multiple components (NDCs) with a single HCPCS code are the same.

Claim Submission for Claims with Two or Three National Drug Codes

When two NDCs are reported, a KP modifier (First drug of a multiple drug unit dose formulation) should be submitted on the first detail and a KQ modifier (Second or subsequent drug of a multiple drug unit dose formulation) should be submitted on the second detail. An example of this is included in the Attachment of this *Update*.

When three NDCs are reported, a **KP modifier** should be submitted on the first detail, a **KQ modifier** on the second detail, and the modifier should be left **blank** on the third detail. An example of this is included in the Attachment.

Claims for provider-administered drugs with two or three NDCs may be submitted to ForwardHealth via the following:

- The 837 Health Care Claim: Professional transaction.
- Provider Electronic Solutions software.
- Direct Data Entry on the ForwardHealth Portal.
- A 1500 Health Insurance Claim Form.

Claim Submission for Claims with Four or More National Drug Codes

When four or more components are reported, each component should be listed separately in a statement of ingredients on an attachment that must be appended to a paper 1500 Health Insurance Claim Form.

As a reminder, due to the Medicaid Rate Reform project, ForwardHealth will reduce reimbursement on most claims submitted to ForwardHealth on paper. Most paper claims will be subject up to a $1.10 reimbursement reduction per claim. However, the reimbursement reduction will not affect claims submitted on paper with four or more NDCs, as described above. For more information, refer to the Reimbursement Reduction for Most Paper Claims topic (topic #10637) in the Submission chapter of the Claims section of the ForwardHealth Online Handbook.

Reminders Regarding Claim Submission

Fractional Units

Claims may be submitted for fractional units based on the HCPCS procedure code description. Providers should indicate the exact fractional quantity for the drug used. The quantity billed should be rounded to two decimal places (i.e., nearest hundredth).

Medicare Crossover Claims

To be considered for reimbursement, NDCs and a HCPCS procedure code must be indicated on Medicare crossover claims. ForwardHealth will deny crossover claims if an NDC was not submitted to Medicare with a provider-administered drug HCPCS code.

Additional Policy Clarifications

Obtaining Provider-Administered Drugs

To ensure the content and integrity of the drugs administered to members, prescribers are required to obtain all drugs that will be administered in their offices. Prescribers may obtain a provider-administered drug from the member's pharmacy provider if the drug is transported directly from the pharmacy to the prescriber's office. Prescribers may also obtain a drug to be administered in the prescriber's office from a drug wholesaler. Pharmacy providers should not dispense a drug to a member if the drug will be administered in the prescriber's office.

HCPCS Codes Requiring Manual Pricing

HCPCS procedure codes for drugs that require manual pricing will be priced using the same reimbursement method as outpatient pharmacy claims. Currently, ForwardHealth uses the Wholesale Acquisition Cost (WAC), the state Maximum Allowed Cost (MAC), or expanded MAC to reimburse outpatient pharmacy claims. Reimbursement for specialty drugs is also based on the WAC. Providers may refer to the Pharmacy page of the Providers area of the ForwardHealth Portal at *www.forwardhealth.wi.gov/* for more information on Pharmacy reimbursement rates.

Prescribing/Referring/Ordering Providers Are Required to Be Medicaid-Enrolled

As a reminder, all physicians and other professionals who prescribe, refer, or order services for Wisconsin Medicaid and BadgerCare Plus members on and after July 15, 2013, are required to be Medicaid-enrolled. Prior authorization requests received on and after July 15, 2013, and claims for DOS on and after July 15, 2013, for services that are prescribed, referred, or ordered will be returned or denied if they do not include the National Provider Identifier of a Medicaid-enrolled provider. For more information on the enrollment options and new requirements for prescribing/referring/ordering providers, refer to the June 2013 *ForwardHealth Update* (2013-34), titled "New Requirements for Prescribing/Referring/Ordering providers Due to the Affordable Care Act," and to the August 2013 *Update* (2013-40), titled "Policy Clarification for Services That Are Prescribed, Referred, or Ordered."

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 AIDS/HIV Drug Assistance Program and the Wisconsin Well Woman Program are 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

ATTACHMENT
Submitting Multiple National Drug Codes per Procedure Code

Example 1 — Two National Drug Codes per Procedure Code

If a provider administers 150 mg of Synagis, a 100 mg vial and a 50 mg vial would be used. Although the vials have different National Drug Codes (NDCs), the drug has one procedure code, 90378 (Respiratory syncytial virus, monoclonal antibody, recombinant, for intramuscular use, 50 mg, each). So, the same procedure code would be reported on two details of the claim and paired with different NDCs.

Procedure Code	NDC	NDC Description
90378	60574-4111-01	Synagis — 100 mg
90378	60574-4112-01	Synagis — 50 mg

Example 1500 Health Insurance Claim Form (08/05)

	24. A. DATE(S) OF SERVICE From MM	DD	YY	To MM	DD	YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER	E. DIAGNOSIS POINTER	F. $ CHARGES	G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL.	J. RENDERING PROVIDER ID. #
1	N460574411101 ME100															
	03	01	13	03	01	13	11		90378	KP	13	500 00	2	N	NPI	0123456789
2	N460574411201 ME50															
	03	01	13	03	01	13	11		90378	KQ	13	500 00	1	N	NPI	0123456789

Example 2 — Three National Drug Codes per Procedure Code

If a provider administers a mixture of 1 mg of hydromorphone HCl powder, 125 mg of bupivacaine HCl powder, and 50 ml of sodium chloride 0.9 percent solution, each NDC will need to be submitted on a separate detail. However, this compound drug formulation would be billed under one procedure code, J3490 (Unclassified drugs), and the same procedure code would be reported on three separate details on the claim and paired with different NDCs.

Procedure Code	NDC	NDC Description
J3490	00406-3245-57	Hydromorphone HCl Powder — 1 mg
J3490	38779-0524-03	Bupivacaine HCl Powder — 125 mg
J3490	00409-7984-13	Sodium Chloride 0.9% Solution — 50 ml

Example 1500 Health Insurance Claim Form (08/05)

	24. A. DATE(S) OF SERVICE From MM	DD	YY	To MM	DD	YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER	E. DIAGNOSIS POINTER	F. $ CHARGES	G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL.	J. RENDERING PROVIDER ID. #
1	N400406324557 ME1															
	07	01	13	07	01	13	11		J3490	KP	13	500 00	1	N	NPI	0123456789
2	N438779052403 ME125															
	07	01	13	07	01	13	11		J3490	KQ	13	500 00	1	N	NPI	0123456789
3	N400409798413 ML50															
	07	01	13	07	01	13	11		J3490		13	500 00	1	N	NPI	0123456789

Note: Examples do not reflect payable claims but rather illustrate how to use the modifiers to submit multiple details with a single HCPCS/*Current Procedural Terminology* (CPT) code for payment.