Provider Alert

Update to NDC Policy: Hospital Outpatient Facility Drug Claims

UnitedHealthcare Community Plan recently changed our National Drug Code (NDC) policy to include facility outpatient drug claims. In November 2017, we implemented new system edits for a UB-04 claim form or 837I institutional transactions. All professional drug claims and hospital outpatient facility drug claims submitted for reimbursement now require the following information:

- A valid NDC number
- The quantity
- A unit of measure (UOM) in the Revenue Description Field (Form Locator 43)

As the industry standard identifier for drugs, NDCs provide full transparency to the medication administered. They accurately identify the manufacturer, drug name, dosage, strength, package size and quantity. By requiring NDC numbers, we can differentiate and target drugs that share the same HCPCS code for drug preferences and rebates. We can also help reduce overall costs to the health care system.

Our updated NDC policy aligns with the Centers for Medicare & Medicaid Services (CMS) and applies to all UnitedHealthcare Community Plan Medicaid plans.

History of NDC Requirements

The Deficit Reduction Act (DRA) of 2005 required valid NDC numbers on all claims for certain physician-administered drugs for the purpose of billing manufacturers for Medicaid rebates.

Prior to the DRA, care providers used Healthcare Common Procedure Coding System (HCPCS) codes to bill Medicaid for drugs. However, State Medicaid agencies are required to invoice manufacturers for rebates using NDCs, which were often omitted from claims. By requiring the NDCs on claims, the DRA helps States fulfill the rebate requirements for physician-administered drugs.

You can find our updated UnitedHealthcare Community Plan NDC policy at UHCCommunityPlan.com > For Health Care Professionals (click on the appropriate state) > Reimbursement Policies.

Doc#: PCA-1-010296-04052018_05082018

UnitedHealthcare® Community Plan

Provider Alert

Note Regarding Reimbursement Policies

As with all UnitedHealthcare Community Plan policies, other factors affecting reimbursement may supplement, modify or in some cases supersede this policy. These factors include but are not limited to federal and/or state regulatory requirements, physician or other provider contracts, and/or the member's benefit coverage documents.

Unless otherwise noted as follows, these reimbursement policies apply to services reported using the CMS-1500 or its electronic equivalent, or its successor form.

UnitedHealthcare Community Plan reimbursement policies do not address all issues related to reimbursement for services rendered to our members, such as the member's benefit plan documents; our medical policies; and the UnitedHealthcare Community Plan Physician, Health Care Professional, Facility and Ancillary Provider Administrative Guide. Meeting the terms of a particular reimbursement policy is not a guarantee of payment. Likewise, retirement of a reimbursement policy affects only those system edits associated with the specific policy being retired. Retirement of a reimbursement policy is not a guarantee of payment. Other applicable reimbursement and medical policies and claims edits will continue to apply.

If there's an inconsistency or conflict between the information in this provider notification and the posted policy, the provisions of the posted reimbursement policy prevail. If you have any questions, please contact your health plan representative or call the number on your Provider Remittance Advice/Explanation of Benefits.

We're Here to Help
If you have questions about this policy, please call Provider Services at the number listed on the back of the member's ID card. Thank you.

Doc#: PCA-1-010296-04052018_05082018

UnitedHealthcare®
Community Plan