

# MLN Matters®

Information for Medicare Fee-For-Service Health Care Professionals



**News Flash - Effective March 1, 2008**, Medicare fee-for-service 837P and CMS-1500 claims must include an NPI in the primary fields on the claim (i.e., the billing, pay-to, and rendering fields). You may continue to submit NPI/legacy pairs in these fields or submit only your NPI on the claim. You may not submit claims containing only a legacy identifier in the primary fields. Failure to submit an NPI in the primary fields will result in your claim being rejected or returned as unprocessable beginning March 1, 2008. Until further notice, you may continue to include legacy identifiers only for the secondary fields.

MLN Matters Number: MM5835

Related Change Request (CR) #: 5835

Related CR Release Date: December 21, 2007

Effective Date: April 7, 2008

Related CR Transmittal #: R1401CP

Implementation Date: April 7, 2008

**Note:** This article was updated on September 25, 2012, to reflect current Web addresses. All other information remains the same.

## Medicare Shared Systems Modifications Necessary to Accept and Crossover to Medicaid National Drug Codes (NDC) and Corresponding Quantities Submitted on CMS-1500 Paper Claims

### Provider Types Affected

All physicians, providers, and suppliers who submit paper claims using Form CMS-1500 to Medicare contractors (carriers, Medicare Administrative Contractors (A/B MACs), and durable medical equipment Medicare Administrative Contractors (DME/MACs)) for certain physician administered drugs provided to Medicare beneficiaries.

### Provider Action Needed



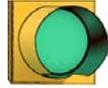
**STOP - Impact to You** - The Centers for Medicare & Medicaid Services (CMS) issued Change Request (CR) 5835 that notifies physicians and suppliers who use Claim Form CMS-1500 (those providers who qualify for a waiver from the Administrative Simplification Compliance Act (ASCA)) that changes are being made to Medicare systems to conform with instructions for submitting NDC drug code and quantity information on Form CMS-1500.

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.



**CAUTION – What You Need to Know** - This article only applies to those providers eligible to submit paper claims and who do so for patients who are dually eligible for Medicaid and Medicare. Such claims need to include NDCs and corresponding quantity amounts for physician-administered drugs. The Key Points section of this CR outlines the changes required in the Form CMS-1500.



**GO – What You Need to Do** - Make certain your office staffs are aware of these changes in the content requirements of your paper claims.

## Background

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The Deficit Reduction Act (DRA) of 2005 required State Medicaid agencies to provide for the collection of National Drug Codes (NDC) on all claims for certain physician-administered drugs for the purpose of billing manufacturers for Medicaid drug rebates. Prior to the DRA, physicians' offices, outpatient hospital departments and clinics generally used Healthcare Common Procedure Coding System (HCPCS) codes to bill Medicaid for drugs dispensed to Medicaid patients. However, because State Medicaid agencies are required to invoice manufacturers for rebates using NDCs for drugs for which the States have made payments, often States were not able to fulfill the rebate requirements for physician-administered drugs. The requirements for the collection of NDCs became effective beginning January 1, 2007. In addition, beginning January 1, 2008, in order for Federal financial participation (FFP) to be available for these drugs, State Medicaid agencies must be in compliance with the requirements. These requirements were implemented in a final rule published on July 17, 2007.

Also, the quantity field of the CMS-1500 paper claim should be captured on all crossover claims for Medicaid billing, as provided for by the National Uniform Claims Committee (NUCC). Information regarding the quantities of physician-administered drugs billed to Medicaid is also necessary for States to bill manufacturers for Medicaid drug rebates.

## Key Points

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When required to submit NDC drug number and quantity information for Medicaid rebates on the CMS-1500 paper claim be aware of the following:

- Submit the NDC code in the red shaded portion of the detail line item in positions 01 through position 13.
- The NDC is to be preceded with the qualifier N4 and followed immediately by the 11digit NDC code (e.g. N49999999999).
- Report the NDC quantity in positions 17 through 24 of the same red shaded portion. The quantity is to be preceded by the appropriate qualifier: UN (units),

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F2 (international units), GR (gram) or ML (milliliter). There are six positions available for quantity. If the quantity is less than six positions, the entry should be left justified with spaces filling the remaining positions.

## Additional Information

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To see the official instruction (CR5835) issued to your Medicare Carrier, DME/MAC, or A/B MAC refer to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1401CP.pdf> on the CMS website.

If you have questions, please contact your Medicare Carrier, DME/MAC, or A/B MAC at their toll-free number which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

**News Flash** - It's seasonal flu time again! If you have Medicare patients who haven't yet received their flu shot, you can help them reduce their risk of contracting the seasonal flu and potential complications by recommending an annual influenza and a one-time pneumococcal vaccination. Medicare provides coverage for flu and pneumococcal vaccines and their administration. – And don't forget to immunize yourself and your staff. Protect yourself, your patients, and your family and friends. Get Your Flu Shot – Not the Flu! Remember - Influenza vaccination is a covered Part B benefit but the influenza vaccine is NOT a Part D covered drug. Health care professionals and their staff can learn more about Medicare's coverage of adult immunizations and related provider education resources, by reviewing Special Edition *MLN Matters* article SE0748 at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/SE0748.pdf> on the CMS website.

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