



HEALTH PLAN

Billing for Physician Administered Drugs and NDC Reporting

Providers are required to report the National Drug Code (NDC) supplemental information in addition to the procedure code (CPT or HCPCS) when billing for a physician administered drug on the electronic and paper claim formats. This requirement is mandated to ensure the Michigan Department of Community Health’s compliance with the Patient Protection and Affordable Care Act (PPACA). The PPACA requires Medicaid to collect rebates for certain drugs.

When billing McLaren Health Plan for physician administered drugs, in addition to the appropriate CPT or HCPCS codes, the following **must** be reported on the claim:

- the 11-digit NDC number;
- the unit price (EDI only);
- the 2-digit unit of measure code, e.g. GR (Gram), ML (Milliliter), UN (Unit); and
- the quantity dispensed.

Electronic Billing Instructions – Loop 2410

LIN Segment

Reporting NDC Information in 837 Professional & Institutional Formats LIN Segment – Drug Identification e.g., LIN**N4*01234567891		
LIN02	N4	N4 Qualifier identifies the NDC being billed
LIN03	Actual NDC e.g., 01234567891	Report the NDC in the 11 digit format. Do not use hyphens or spaces

CTP Segment

Reporting NDC Information in 837 Professional & Institutional Formats CTP Segment – Drug Segment e.g., CTP***2.50*UN		
CTP03	Unit Price	e.g., 2.50 Do not report the dollar sign
CTP04	Dispensing Quantity	e.g., 2
CTP05	Unit of Measure Value	Values are: F2 = International Unit GR = Gram ML = Millimeter UN = Unit

**Paper Billing Instructions
CMS 1500 Claim Form**
Paper – Box 24A Shaded area - all required elements as stated above **must** be reported

**Paper Billing Instructions
UB-04 Claim Form**
Paper – Box 43 – all required elements as stated above **must** be reported

Claims submitted for physician administered drugs without the required information as stated above, will be denied. If you have any questions, contact your Network Development Coordinator at (888) 327-0671.

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