

Frequently Asked Questions: National Drug Code (NDC)

Q: Why is Kentucky Medicaid requiring the NDC on outpatient and renal dialysis claims?

A: The Deficit Reduction Act (DRA) of 2005 requires fee for service State Medicaid programs to capture and report NDC for outpatient facility administrated drugs beginning January 1, 2008, in order for the State to receive federal financial participation.

Q: What will happen if Kentucky Medicaid fails to capture and report the NDC data?

A: Kentucky Medicaid could lose the financial participation it receives on pharmacy claims from the federal government. This will cause an increase in medical expenditures from the State's budget.

Q: Which Kentucky Medicaid Provider Types are affected by this requirement?

A: Outpatient Hospital and Renal Dialysis Clinic.

Q: Are hospitals required to submit the NDC?

A: Hospitals must submit the NDC if the claim is for outpatient services. An NDC is not required for inpatient services as these services are not included in the DRA.

Q: Is the NDC required if Kentucky Medicaid is not the primary payor?

A: The NDC must be used on claims where Medicaid is not the primary payor.

Q: Is the NDC required on Medicare Crossover claims?

A: The NDC must be included on claims that will cross over to Kentucky Medicaid.

Q: Where do providers find the NDC in order to enter it on the claim?

A: Each drug package shows the NDC for the drug. Bill the NDC for the actual drug that is administrated. Billing an NDC from a reference file, e.g. Redbook, when it is not the actual drug administrated is considered fraudulent billing.

Q: Where does the NDC go on the claim form?

A: Paper claim form instructions are posted on the EDS website at www.kymmis.com select "Provider Relations" and then "Billing Instructions". For electronic billing instructions see the 837I Companion Guides. From the main menu select "Companion Guides". Please remember to include the qualifier N4 followed by the 11-digit NDC without any dashes, spaces, hyphen's or other punctuation. However, KyHealth Net claims submission does not require the N4 qualifier. The KyHealth Net instructions are obtained on the website by selecting "Provider Relations" and "DDE User Manuals".

Q: What revenue codes require the NDC?

A: Revenue codes 250-259 and 634-636.

Q: What is the effective date of service that requires NDC billing?

A: July 1, 2009

Q: Is an NDC required if participating in the 340B program?

A: Yes

Q: Questions?

A: Kentucky Medicaid Provider may contact EDS Provider Inquiry at 1-800-807-1232 from 8:00-6:00 EST.