

**Date: 03/02/20**

**Medi-Cal**

**Important Provider Notice: # 378**

**Subject: Important changes to Units of Measure Documentation Requirement – Reminder #2**

Previous Important Provider Notices #364 and #372 document the need for providers to bill the appropriate Units of Measure (UOMs) when billing for Physician Administered Drugs. This requirement was made effective for claims received on or after November 1, 2019. Partnership HealthPlan of California (PHC) continues to receive claims electronically and on paper with the incorrect format for UOMs.

PHC is sending this Important Provider Notice to remind providers that the effective date for this requirement was November 1, 2019, but PHC is giving an allowance to providers to make this update to their systems. Effective for claims received on or after June 1, 2020, the UOMs **MUST** follow the format listed below:

**HOW TO SUBMIT NATIONAL DRUG CODE (NDC) AND UNITS OF MEASURE (UOM)**  
**INFORMATION TO PHC**

**1. What is an NDC?**

The NDC is a universal number that identifies a drug. The NDC consists of 11 digits in a 5-4-2 format. Proper billing of claims submitted for HCPCS drug codes requires 11-digit all-numeric NDC codes.

**2. Are the HCPCS/CPT/revenue code units different from the NDC units?**

Yes, they are different. Use the HCPCS/CPT/revenue code and service units as you have in the past. NDC units are based on the numeric quantities administered to the patient and the unit of measure (UOM). The UOM codes are the following:

- F2: international unit
- GR: gram
- ML: milliliter
- UN: unit (each)

**3. How should an NDC be billed on the *CMS-1500* claim form?**

When billing a claim that requires an NDC Code on the *CMS-1500* claim form, please use the following format:

- **Box 24A (shaded area)** – Enter “N4” Qualifier and 11-digit National Drug Code (NDC).

- **Box 24D (white Area)** – HCPCS Code
- **Box 24F (white Area)** – Billed Charges
- **Box 24G (white Area)** – Units of Service
- **Box 24D (shaded area)** – NDC unit of measure (two positions). Enter the NDC Unit of Measure (two positions) immediately followed by the numeric quantity administered, which is a full 10-digit number. The 10 digits consist of seven digits for the whole number, followed by the three-digit decimal portion of the number. The quantity field should be entered from left to right, without a decimal.

**CMS-1500 form example:** ‘N4’ is used as the Product ID Qualifier, followed by the 11-digit NDC ‘00062179615’. ‘UN’ is used as the Unit of Measure and the units administered are ‘28’.

24. A.	DATE(S) OF SERVICE						B.	C.	D. PROCEDURES, SERVICES, OR SUPPLIES		E.	F.	G.	H.	I.	J.	PHYSICIAN OR SUPPLIER INFORMATION		
	From	MM	DD	YY	To	MM	DD	YY	PLACE OF SERVICE	EMG	(Explain Unusual Circumstances) CPT/HCPCS	MODIFIER	DIAGNOSIS POINTER	\$ CHARGES	DAYS OR UNITS	EPSDT Family Plan		ID. QUAL.	RENDERING PROVIDER ID. #
1	N4	00	06	21	79	61	5		UN	0000028000					15600	13		NPI	
2																		NPI	
3																		NPI	
4																		NPI	
5																		NPI	
6																		NPI	

Annotations:

- Box 24D (white Area): NDC with N4 qualifier
- Box 24D (shaded area): 2-character unit of measure qualifier and numeric quantity
- Box 24D (shaded area): Enter modifier UD if billing for Section 340B drugs

#### 4. How should an NDC be billed on the *UB-04* claim form?

For the *UB-04* claim form, the NDC is reported in the following format:

- **Box 43 (Description Field)** – “N4” Qualifier and 11-digit National Drug Code (NDC). Enter first two positions as the Product ID Qualifier of ‘N4’ followed by the 11-digit NDC (no hyphens). Directly following the last digit of the NDC (no delimiter), enter the two-digit Unit of Measurement Qualifier as noted below followed by the nine-digit quantity. The nine digits consist of six digits for the whole number, followed by the three-digit decimal portion of the number.
- **Box 44** – Using the HCPCS/RATE/HIPPS Code field, enter the five-character HCPCS code.
- **Box 46** – Using the ‘Serv Units’ field, enter the corresponding service units for the HCPCS reported

**UB-04 form example:** ‘N4’ is used as the Product ID Qualifier with an NDC code of ‘00062179615’. Code ‘UN’ is used to identify the unit quantity of ‘28’ reported as ‘000028000’ (Nine-digit quantity).

42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATE / HIPPS CODE	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES
1	N400062179615UN000028000	X7706	070108	13	156.00
2					
3					
4					

Annotations:

- Box 43: N4 qualifier/NDC/ unit of measure/quantity
- Box 44: Enter modifier UD if billing for Section 340B drugs

#### 5. Where do I enter NDC data on electronic claim (ANSI 5010 837P or ANSI 5010 837I) transactions?

Field Name	Field Description	Loop ID	Segment
Product ID Qualifier	Enter <b>N4</b> in this field	2410	LIN02
National Drug Code assigned to the drug administered	Enter the 11-digit NDC billing format	2410	LIN03
National Drug Unit Count	Enter the quantity (number of NDC units)	2410	CTP04
Unit or Basis for Measurement	Enter the NDC unit of measure for the prescription drug given (UN, ML, GR, or F2)	2410	CTP05

Note: The total charge amount for each line of service also must be included for the Monetary Amount in Loop ID, Segment SV102 for 839P and Segment SV203 for 837I.

For additional information, please contact the PHC Customer Service Department at (707) 863-4130.