South Carolina
**Department of Health and Human Services**
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**www.scdhhs.gov**

March 13, 2007

# MEDICAID BULLETIN

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|---|---|---|---|
| *DME* | *07-06* | *PHY-MSP-CBP* | *07-06* |
| *HMO* | *07-08* | *PHY-MSP-HBP* | *07-06* |
| *MC-ASC* | *07-03* | *PHY-OPHT* | *07-05* |
| *MC-DHEC* | *07-05* | *PHY-PATH* | *07-05* |
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| *MC-FQHC* | *07-05* | *PHY-PC-INT* | *07-06* |
| *MC-MCHC* | *07-04* | *PHY-PC-NEO* | *07-06* |
| *MC-RHC* | *07-05* | *HY-PC-OG* | *07-06* |
| *OMP-CRNA* | *07-03* | *PHY-PC-PED* | *07-06* |
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| *OMP-NP* | *07-03* | *PHY-PS* | *07-05* |
| *PHY-ALG* | *07-05* | *PHY-RAD* | *07-05* |
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| *PHY-CARD* | *07-05* | *PHY-SPEC* | *07-05* |
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**TO:** **Providers Indicated**

**SUBJECT:** **I. Modification and Clarification of Requirements for Submitting the National Drug Code (NDC) in Conjunction with the Drug-Related Healthcare Common Procedure Coding System (HCPCS) Code**
**II. Resolution for the 202 Edit Code**

The South Carolina Department of Health and Human Services (SCDHHS) has modified certain requirements relevant to the National Drug Code (NDC) that were communicated in the September 11, 2006 bulletin. ***The requirement of submitting the 11-digit NDC for drugs administered in an office/clinic or other outpatient setting remains.*** Effective immediately, certain NDC data elements are no longer required when providers submit the NDC in conjunction with the drug-related HCPCS code. These changes and a clarification of the NDC submission process follow.

## I. Modifications to NDC Submission Requirements:

- Quantity of each submitted NDC - Effective immediately, providers are not required to submit the NDC quantity (*i.e.,* number of units). (*Refer to page 1 of the September 11, 2006 bulletin*.)
- Unit of measurement (UOM) for each submitted NDC - Effective immediately, providers are not required to submit the NDC unit of measurement (*e.g.,* grams, milliliters, etc.). (*See page 1 of the September 11, 2006 bulletin*.)

Providers are advised to re-file any previously submitted claims that received either a 203 edit (NDC quantity missing or invalid) or a 204 edit (NDC unit of measurement missing or invalid).

**Clarification of NDC Submission Requirements:**

- Expiration of the relationship end date on the *NDC to HCPCS Crosswalk* - If the NDC on the "*NDC to HCPCS Crosswalk"* has a relationship end date that expired prior to the date of service, the claim will suspend for SCDHHS internal review. When filing the claim, providers should attach a copy of the drug label to verify both the NDC and the product's expiration date. The claim will be processed upon review of this information. The "NDC to HCPCS Crosswalk" is located at **http://www.palmettogba.com**.

- Billing Unlisted/Not otherwise specified HCPCS codes (J3490, J9999) - In addition to documentation detailing the drug that was administered and the medical necessity, providers must also include the product's 11-digit NDC. The claim will suspend for SCDHHS internal review. Please note that the drug-related procedure code is not payable if the 11-digit NDC is omitted.

- NDC not found on the *NDC to HCPCS Crosswalk*
  For a drug-related HCPCS code to be reimbursable by SCDHHS, the manufacturer of the drug must participate in the Federal Drug Rebate program. To determine whether the pharmaceutical manufacturer participates in the rebate program, locate the first five digits of the 11-digit NDC on the *NDC to HCPCS Crosswalk*. These five digits represent the manufacturer of the drug.

  - If the first five digits of the 11-digit NDC *are* listed on the crosswalk, the manufacturer participates in the rebate program and the claim should be submitted to Medicaid. The claim will suspend for SCDHHS internal review.

  - If the first five digits of the 11-digit NDC *are not* on the crosswalk, the manufacturer does *not* participate in the rebate program. South Carolina Medicaid does not provide coverage of non-rebated drugs.

**II. Resolution for the 202 Edit Code:**

202 Edit (Missing 11-digit NDC) – Providers are unable to make corrections to an Edit Correction Form (ECF) when a 202 edit is received. The only way to resolve a 202 edit is to file the specific line(s) again with a valid 11-digit NDC.

Your cooperation in complying with the requirements for submitting the NDC in conjunction with the drug-related HCPCS code is appreciated. If you have any questions concerning this bulletin, please contact your Program Manager at (803) 898-2660.

/s/

Robert M. Kerr
Director

RMK/bgwd

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