



Finding the NDC

To obtain proper payment for physician-administered drugs, many payers require National Drug Codes (NDC) to be reported on claims in addition to the appropriate HCPCS code. NDC codes were established by the FDA to identify the labeler, product, and trade package size on drugs and can be found on the packaging and/or label of the drug. The NDC is a 11 digit, 3 segment number, each identifying specific information:

- Segment 1 identifies the labeler.
- Segment 2 identifies the product code, the strength, dosage form (capsule, tablet, liquid), and formulation of a drug for a specific manufacturer.
- Segment 3 identifies the package code, package size and type.

NDC Number Format:

If the NDC on the package label is less than 11 digits, you must add a leading zero to the appropriate segment to create a 5-4-2 configuration (the NDC number will be preceded by the qualifier N4 (no spaces) on the claim). Example:

Label Configuration	Add leading zero, Remove hyphens
4-4-2 (xxxx-xxxx-xx)	0xxxxxxxxxx
5-3-2 (xxxxx-xxx-xx)	xxxxx0xxxxx
5-4-1 (xxxxx-xxxx-x)	xxxxxxxx0x

The NDC must be reported on claims in field 24D of the CMS-1500 Form or the LIN03 segment of the HIPAA 837 Professional Electronic form. You must enter the NDC on a claim in the following order: N4 qualifier immediately followed by the 11-digit billing format (no spaces or hyphens), one space, 2 character unit/basis of measurement qualifier (units 'UN', international units 'F2', gram 'GR' or milliliter 'ML'), and quantity (the unit/basis of measurement will be different than the units listed in the HCPCS code description and must be calculated).

Example: N400024584101 ML16

NDC qualifier

NDC code with leading 0's where needed

unit/basis of measurement (UN, GR, F2, ML)

NDC units (different from HCPCS units; calculated)

NDC Units of Measure:

UN (Unit) – Powder for injection (needs to be reconstituted), pellet, kit, patch, tablet, device

ML (Milliliter) – Liquid, solution, or suspension

GR (Gram) – Ointments, creams, inhalers or bulk powder in a jar

F2 (International Unit) – Products described as IU/vial or micrograms

NDC Units:

NDC units are different than the units described in the HCPCS description and/or the units administered to the patient and must be calculated. Also milligram's (ME) must be converted into grams or another one of the appropriate 4 units of measure, usually UN or ML.

Converting HCPCS units to NDC units:

Injection of ceftriaxone sodium, 250 mg (HCPCS J0696); NDC description 500 mg per vial.

The amount of the drug administered to the patient is 1000 mg.

- The NDC units = 2 (1000 mg ÷ 500 mg)
- HCPCS units billed = 4 (1000 mg ÷ 250 mg)

Converting ME to ML:

Ciprofloxacin IV, 1200 mg; NDC description 200mg in 20ml of solution (200 mg/20 ml).

The amount of the drug administered to the patient is 1200 mg, The NDC unit of measure for a solution is ML, therefore, the amount billed must be converted from MG to ML:

- HCPCS units billed - Divide the number of MGs administered to the patient by the NDC description's MG's (200 MG): 1200mg ÷ 200mg = 6.
- NDC units - Multiply the HCPCS units above (6) by the number of MLs in the NDC description (20 ML): 6 x 20ml = 120ml

Thus, the units to be reported on the NDC line is 120: **N400409476586 ML120**

Example of properly populated claim:

- CMS 1500 (top)

24. A. DATE(S) OF SERVICE				B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)		E. DIAGNOSIS POINTER	F. \$ CHARGES	G. DAYS OR UNITS	H. ICD-9 Family Part	I. ID. QUAL.	J. RENDERING PROVIDER ID. #
MM	DD	YY	MM	DD	YY	1	J#####	1	### ##	20		NPI	123456789
N4	12	34	56	78	90	1	UN2						123456789
MM	DD	YY	MM	DD	YY	1	J#####	1	### ##	20		NPI	123456789

43 DESCRIPTION	44 HCPCS / RATE / HIPPS CODE
N412345678901UN1234.567	[Enter Modifier "UD" if required]

- UB04 CMS 1450 (bottom)

Resources for further instruction:

[Texas Health and Human Services presentation](#)

[NDC/HCPCS Crosswalk](#)

Payer policies:

[BCBSTX NDC Policy](#)

[Humana NDC Policy](#) (scroll down to *National Drug Code (NDC) Billing Requirement*)

[Medicare NDC Policy](#)

[TMHP NDC web page](#)

[Texas Medicaid and Children with Special Health Care Needs Reminder](#)

[United Healthcare NDC Policy](#)

Please verify the NDC billing guidelines with individual payers as this information is subject to change.