



Maryland Department of Health and Mental Hygiene
201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – John M. Colmers, Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM
General Provider Transmittal No. 67
August 18, 2008

TO: Hospital Providers

FROM: Susan J. Tucker, Executive Director
Office of Health Services

NOTE: Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.

RE: Reporting National Drug Code (NDC)/Quantity when billing for drugs effective September 1, 2008

Effective September 1, 2008, the Medical Assistance Program will require hospitals to use the National Drug Code (NDC) on outpatient claims for bill types 131 and 135 when billing revenue codes 0250, 0251, 0252, 0257, 0258, 0259 and 0637. **This implementation date is specific for claims submitted for payment on or after September 1, 2008 for dates of service on or after July 1, 2008.** For example, for claims submitted for payment on or after September 1, 2008 for dates of service on or after July 1, 2008, the NDC is required. If a claim is submitted after September 1, 2008 but the date of service was prior to July 1, 2008, the NDC is not required.

Federal regulations require States to collect NDC numbers from providers for the purposes of billing manufacturers for drug rebates. As a result, Maryland Medicaid:

- Will not reimburse providers for drugs obtained from companies that do not participate in the Medicaid Drug Rebate Program; and
- Will not reimburse providers for drugs unless a valid 11 digit NDC number and quantity administered are reported on the UB 04 for outpatient claims.

Exclusion of 340B designated hospitals

Hospitals that have been designated as 340B entities and provide Maryland Medicaid reduced drug costs as provided under the 340B Program are not required to submit NDC coding on outpatient hospital claims. Hospitals will be required to inform Medicaid in writing that the hospital is approved by the Office of Pharmacy

Affairs within the Health Resources and Services Administration Healthcare Systems Bureau, as a 340B provider and the hospital gives Medicaid saving from the 340B reduced drug costs. After receiving this information the Program will advise the hospital that NDC reporting requirements for its outpatient hospital claims are waived for as long as the previously mentioned conditions remain unchanged. To apply for this waiver, if your facility is outside the State of Maryland, mail supporting documentation to the Staff Specialist for Hospital Services, Department of Health and Mental Hygiene, 201 West Preston Street, Room 211, Baltimore, Maryland 21201. If your facility is within Maryland, mail supporting documentation to Dorine Rascoe, Pharmacy Rebate Specialist, DHMH, Division of Pharmacy, 201 W Preston Street, Room 409L, Baltimore, MD 21201.

National Drug Coding (NDC) – Medicaid drug rebate reporting

Maryland Medicaid billing instructions have been updated for the reporting requirements for the NDC on the UB 04. To find the instructions, go to www.dhmh.state.md.us, click on Medical Care Programs and then click on the National Provider Identifier (NPI) link. Once on the NPI site, click on billing instructions and finally, go to the UB 04 billing instructions for Hospitals.

In order to identify the unit of measure of the various drugs, the Program has created a National Drug Code (NDC) Unit of Measure Listing on the Maryland Medical Programs Web Services site at: <http://encrypt.emdhealthchoice.org/emedicaid/>. The listing can be accessed via the “NDC Unit of Measure” link on the left menu of the first screen that you will be presented with after you have successfully logged into the system. This list will be updated monthly.

Reporting Compound Drugs

All providers are asked when reporting compounded drugs, to list the most expensive ingredient in the compound first, followed by the rest of the ingredients. Detailed instructions on how to report compound drugs can be found in the UB 04 billing instructions for hospitals on the DHMH website.

Questions concerning this transmittal can be directed to the Staff Specialist for Hospital Services at (410) 767-1722.