

# AETNA BETTER HEALTH®

## d/b/a Aetna Better Health of Louisiana

### Policy

|              |                                   |                 |                      |
|--------------|-----------------------------------|-----------------|----------------------|
| Policy Name: | <u>Drug and Biological Policy</u> | Page:           | 1 of 2               |
| Department : | Reimbursement                     | Policy Number:  | <b>ABHLA-RP-3003</b> |
| Subsection:  |                                   | Effective Date: | 00/00/2021           |
| Applies to:  | Aetna Better Health of Louisiana  |                 |                      |

#### ***PURPOSE:***

To clarify reimbursement guidelines for appropriate use of National Drug Codes (NDCs) for drugs and biologicals for professional and hospital outpatient drug claims.

#### ***STATEMENT OF OBJECTIVE/OVERVIEW:***

National Drug Codes (NDCs) are 11-digit codes used to uniquely identify drug products in the United States. These codes provide additional information beyond the Healthcare Common Procedure Coding System (HCPCS) and Current Procedural Terminology (CPT) classification systems, which generally only describe the active ingredient and dose. NDCs describe the labeler, product, and packaging. Drug manufacturers require accurate NDC data to provide rebates to payers for drugs billed from outpatient and professional providers.

Aetna Better Health of Louisiana requires that all claims submitted for reimbursement of drug-related revenue codes, HCPCS codes, and CPT codes on form UB-04 or 837I transactions must include the following:

- Valid NDC code
- Quantity (NDC units)
- Unit of measure (UOM)

ABHLA requires providers to bill National Drug Code (NDC) numbers with certain drug codes. The NDC number must match the drug code being billed. Additionally, non-specific HCPCS drug codes are separately handled from the HCPCS codes that have specific or definitive code definitions. The non-specific HCPCS drug codes include codes that have not otherwise specified language (ex. J8999), unclassified language (ex. J3490), or miscellaneous/general use language (ex. A4211) in the code description.



Aetna Better Health® of Louisiana

# AETNA BETTER HEALTH® d/b/a Aetna Better Health of Louisiana Policy

|              |                                   |                 |                      |
|--------------|-----------------------------------|-----------------|----------------------|
| Policy Name: | <u>Drug and Biological Policy</u> | Page:           | 2 of 2               |
| Department : | Reimbursement                     | Policy Number:  | <b>ABHLA-RP-3003</b> |
| Subsection:  |                                   | Effective Date: | 00/00/2021           |
| Applies to:  | Aetna Better Health of Louisiana  |                 |                      |

## Reporting the NDC

NDCs are reported as 11 digits separated by hyphens into segments of 5, 4, and 2 digits (5-4-2). However, some NDCs may appear in a 10-digit FDA standard format on the drug's labeling. When this occurs, you must pad any shortened segment(s) a leading zero so they comply with the 5-4-2 format. Use the table below to determine how to appropriately pad a 10-digit NDC to create an 11-digit code.

### Convert NDC from 10 Digits to 11 Digits

| 10-digit Format Segments | 10-digit Format | Add Leading Zero (0) to Segment for 11-digit NDC | Resulting Segments | 10-digit Example                       | Example Converted to 11 Digits |
|--------------------------|-----------------|--|--------------------|--|--------------------------------|
| 5-4-1                    | 99999-9999-9    | 99999-9999-09                                    | 5-4-2              | 31722-0777-1<br>(Acyclovir)            | 31722-0777-01                  |
| 5-3-2                    | 99999-999-99    | 99999-0999-99                                    | 5-4-2              | 35356-798-03<br>(Azithromycin)         | 35356-0798-03                  |
| 4-4-2                    | 9999-9999-99    | 09999-9999-99                                    | 5-4-2              | 0071-0155-10<br>(Atorvastatin Calcium) | 00071-0155-10                  |

NOTE: Do not include hyphens or spaces in the NDC in claim data.

Claims with invalid, incomplete, or missing NDCs, units of measure, and/or quantities may be denied. Denied claims may be resubmitted with the corrected/completed NDC information.

## **DEFINITIONS:**

|                                   |   |
|-----------------------------------|---|
| <u>National Drug Codes (NDCs)</u> | 11-digit codes used to uniquely identify drug products in the United States. These codes provide additional information above and beyond the HCPCS and CPT classification systems, which generally only describe the active ingredient and dose. NDCs describe the labeler, product, and packaging. |
|-----------------------------------|---|

## **LEGAL/CONTRACT REFERENCE:**

[Food & Drug Administration \(FDA\) NDC Directory](#)

|                         |
|-------------------------|
| Review/Revision History |
| 9/24/2021               |
| Initial draft           |