

Reminder: Expanded National Drug Code requirement effective April 1, 2020

As a reminder of the article in the January 2020 Provider News, effective for claims with a date of service on or after April 1, 2020, Security Health Plan is expanding the National Drug Code (NDC) requirement for all drug-related codes to both professional and facility outpatient claims for all product lines. Security Health Plan currently requires NDCs on professional claims. This expanded requirement means claims submitted for reimbursement of drug-related revenue codes, Health Care Common Procedure Coding System (HCPCS) and CPT codes must include:

- A valid 11 digit NDC number
- The quantity
- A unit of measure

Security Health Plan will be publishing a NDC page in the Claims Processing Policies and Procedures section of the provider manual with additional information on NDC submission. If the relevant NDC information is not included on the claim, services will be denied.

This requirement applies to paper claim form CMS-1500 and UB04 as well as Electronic Data Interface (EDI) transactions 837P and 837I when billing professional and facility outpatient claims for drug-related codes.

NDCs are the industry standard identifier for drugs; they provide full transparency as to which medication was administered. NDCs accurately identify the manufacturer, drug name, dosage, strength, and package size.

The NDC requirement is part of Security Health Plan's strategies to manage the cost of care and align Security Health Plan billing requirements with those of many national payers. Enforcing the NDC will allow us to differentiate and target drugs that share the same HCPCS code for drug preferences and rebates. This change will also allow us to identify billing errors and improve reimbursement processes.