



Horizon Blue Cross Blue Shield of New Jersey

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How to Correctly Submit Claims with Drug-Related (J or Q) Codes

Professional and institutional primary and secondary claims submitted with drug-related (J or Q) codes must include the National Drug Code (NDC) number, quantity and the unit of measure. The NDC, quantity and the unit of measure will be enforced in addition to the corresponding Healthcare Common Procedure Coding System (HCPCS) and Current Procedural Terminology (CPT) codes and the units administered for each code. If the NDC number, quantity and the unit of measure are not submitted correctly with your claim submission, the claim will be rejected or denied and a clean claim will need to be submitted within timely filing guidelines.

Q1. What if a member is dual eligible for Medicare and Medicaid?

A1. While the Centers for Medicaid and Medicare Services (CMS) does not require the NDC on traditional Medicare claims, NJ Medicaid NDC requirements are being reviewed, communicated and enforced by the State of New Jersey. Therefore, Horizon NJ Health has to comply with the State rules and requires NDC number, quantity and the unit of measure for claim lines that have J and Q procedure codes billed.

Q2. What NDC information will be required?

A2. The following information will be required when submitting an NDC:

- Valid 11-digit NDC number. The NDC number must be entered in the 24D field of the CMS-1500 Form or the LIN03 segment of the HIPAA 837 Professional Electronic form.
- NDC unit of measure (F2, GR, ML, UN).
- NDC units dispensed (must be greater than 0).

Q3. Will the NDC information submitted be subject to any additional clinical edits?

A3. Yes. The following criteria will also be applied initially:

- NDC and HCPCS verification: identifies incorrect billing when the NDC and HCPCS codes are not a match on the drug claim.
- NDC max unit: targets drugs that have specific strengths where an unexpected number of units are exceeded.
- Inactive NDCs: targets inactive/obsolete drugs.

Q4. Where is the NDC located?

A4. The NDC is an 11-digit number found on the prescription drug label of the drug container (e.g. vial, bottle or tube). If the NDC on the label does not include the 11 digits, it will be necessary to add a leading zero to the appropriate section to create a 5-4-2 configuration (i.e. 66733-0948-23). A valid NDC without spaces or hyphens should be placed on the medical claim. The NDC submitted must be the actual valid NDC number on the container from which the medication was administered.

Q5. Are the NDC units different from the HCPCS/CPT code units?

A5. Yes. NDC units are based upon the numeric quantity administered to the patient and the unit of measure.

UOM	Description	Guidelines
F2	International unit	International units will mainly be used when billing for Factor VIII-Antihemophilic Factors
GR	Gram	Grams are usually used when an ointment, cream, inhaler, or bulk powder in a jar are dispensed. This unit of measure will primarily be used in the retail pharmacy setting and not for physician-administered drug billing.
ML	Milliliter	If a drug is supplied in a vial in liquid form, bill in millimeters.
UN	Unit	If a drug is supplied in a vial in powder form, and must be reconstituted before administration, bill each vial (unit/each) used.

NDC Units

Submit the decimal quantity administered and the units of measurement on the claim. If reporting a partial unit, use a decimal point.

- GR0.025
- ML2.5
- UN3.0

The quantity should be eight digits before the decimal and three digits after the decimal. If entering a whole number, do not use a decimal. Do not use commas. Do not zero fill, leave remaining positions blank. The following are some examples:

- 1234.56
- 2
- 12345678.123

Q6. How should the NDC unit of measure and quantity be submitted?

A6. To submit the NDC, unit of measure and the quantity, following the instructions below:

Paper Claim Requirements

CMS-1500 form:

- Enter the NDC in the shaded area of the service lines in Field 24.
- The six service lines in section 24 have been divided horizontally to accommodate submission of supplemental information to support the billed service. The top portion in each of the six service lines is shaded and is the location for reporting supplemental information.



- Submit the NDC code in the red-shaded portion of the detail line item starting in positions 01.
- The NDC is to be preceded with the qualifier N4 and followed immediately by the 11 digit NDC code (e.g. N412345678901).

UB-04 form:

- Field 42: Revenue code
- Field 43: NDC 11 digit number, Unit of Measurement Qualifier and Unit Quantity
- Field 44: HCPCS code

Loop	Segment	Element Name	Information	
2410	LIN	02	Product or Service ID Qualifier	If billing for a national drug code (NDC), enter N4.
2410	LIN	03	Product or Service ID	If billing for drugs, include the NDC. Sample - LIN**N4*12345678901
2410	CTP	04	Quantity	If an NDC was submitted in LIN03, include the quantity for the NDC billed.
2410	CTP	05-1	Unit or Basis for Measurement Code	If an NDC was submitted in LIN03, include the unit or basis for measurement code for the NDC billed. F2 - International unit GR - Gram ML - Milliliter UN - Unit Sample - CTP****3*UN
2410	REF	01	VY: Link Sequence Number, XZ : Prescription Number	Link Sequence # (to report components for compound drug)
2410	REF	02	Link Sequence Number or Prescription Number	Sample - REF01*VY*123456

For additional information on the valid NDC codes, unit and units of measure, please refer to the NJ Medicaid website at <https://www.njmmis.com/ndcLookup.aspx>.