



STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
Med-QUEST Division  
Medical Standards Branch  
P. O. Box 700190  
Kapolei, Hawaii 96709-0190

July 11, 2007

MEMORANDUM

ACS M07-11

TO: Medicaid Physicians, Dentists, Other Providers with Prescribing Authority and Pharmacy Providers

FROM: Lois Lee, Acting Med-QUEST Division Administrator *ll*

SUBJECT: FEE-FOR-SERVICE PROGRAM ONLY

NATIONAL DRUG CODES REQUIRED ON CMS 1500 FOR MEDICARE  
CROSS-OVER CLAIMS, EFFECTIVE JANUARY 1, 2008

Physician/provider administered drugs in outpatient settings for dual eligible recipients (Medicare cross-over claims) must submit National Drug Code (NDC) numbers for all drugs billed by Healthcare Common Procedure Coding System (HCPCS) codes: Single source drugs, biological products and multiple source drugs.\*

Claims paid on January 1, 2008 or later (regardless of the date of the service) will be affected. Claims without the required NDC information will be denied:

- NDC number (for drug billed by HCPCS code);
- Corresponding National Council for Prescription Drug Programs (NCPDP) billing unit (for NDC number such as gm, ml, each); and
- Corresponding NCPDP quantity (for NDC number).

The revised Centers for Medicare and Medicaid Services (CMS) 1500 (8-05) form accommodates the requirements of the Deficit Reduction Act (DRA) of 2005 for the claims to process by Medicare and cross-over to Medicaid. A claim example is available on the Med-QUEST Division (MQD) website (<http://www.med-quest.us/providers/ProvidersBulletins>), Provider Bulletin May 2007, bottom of page 12.

If you have any questions regarding claims issues, please contact Affiliated Computer Services Fiscal Agent (ACS FA) at (808) 952-5570 or toll free (800) 235-4378 for assistance.

\*DRA requires Medicaid agencies to submit all outpatient drugs paid by Medicaid Fee-for-Service (FFS) to the CMS for the purpose of collecting federal drug rebates. In order for Medicaid to report and collect these rebates, the NDC numbers and the NCPDP quantities must be submitted on claims from physician/provider administering drugs in the outpatient setting for dual eligible recipients.