# National Drug Code (NDC)

**Origination Date: 07/23/2018**
**Last Review: 02/27/2024**
**Next Review: 01/2025**

## Description

The National Drug Code (NDC) was created under the direction of the United States Federal Food, Drug, and Cosmetic Act. NDC numbers are the industry standard identifier for drugs and provide full transparency to the medication administered. The NDC number identifies the manufacturer, drug name, dosage, strength, package size, and quantity.

## Policy

Oscar reimburses providers for Drugs subject to coverage, medical necessity, and policy restrictions.

## Reimbursement Guidelines

A valid NDC number for the administered drug will be required for reimbursement of professional drug claims on a CMS-1500 Claim Form, and on a UB-04 Claim Form for outpatient drug claims.

NDC information that is invalid, missing, or not matching the HCPCS or CPT® code submitted, will not be eligible for reimbursement.

## Rationale

The United States Federal Food, Drug, and Cosmetic Act, under Title 21, Chapter 9, Subchapter V, created unique numeric identifiers for the manufacturer, product, and package size to establish unique NDCs.

Requiring NDCs will enable Oscar to identify and reimburse for provided Drug administration more accurately.

## NDC Billing Requirements:

The following HCPCS codes require an NDC to be billed:

- J codes, including miscellaneous and unlisted drug codes
- Drug-related CPT codes, including miscellaneous and unlisted drug codes, immunizations, Synagis and Immune Globulin ● Drug-related Q codes, including miscellaneous and unlisted drug codes, and Contrast
- Drug-related S codes
- Drug-related A codes, including miscellaneous and unlisted drug codes, and Radiopharmaceuticals

oscar

## Unit of Measure Billing Guidelines:

In order to ensure consistent and correct processing of claims, the units and unit of measure must be correctly reported. Both HCPCS and NDC units must be submitted accurately based on the unit of measure defined by the HCPCS and NDC codes. The NDC unit of measure must be correctly reported based on the below guidelines. These guidelines are adapted from the National Council for Prescription Drug Programs (NCPDP) Billing Unit Standard (BUS).

"UN" (unit) is used when the product is dispensed in discrete units. These products are not measured by volume or weight. The Billing Unit of "UN" is also used to address exceptions where "GM" and "ML" are not applicable. Examples of products defined as "UN" include but are not limited to:

- Tablets
- Capsules
- Suppositories
- Transdermal patches
- Non-filled syringes
- Tapes
- Blister packs
- Oral powder packets
- Powder filled vials for injection
- Kits
- Unit-of-use packages with a quantity less than one milliliter or gram should be billed as "one each". For example, ointment in packets of less than 1 gram or eye drops in droppettes that are less than 1 ml. This rule does not apply to injectable products.
- Antihemophilic Products

"ML" (milliliter) is used when a product is measured by its liquid volume. Examples of products defined as "ML" include but are not limited to:

- Liquid non-injectable products of 1 ml or greater
- Liquid injectable products in vials/ampoules/syringes
- Reconstitutable non-injectable products at the final volume after reconstitution except when they are in powder packets
- Inhalers (when labeled as milliliters on the product)

"GM" (gram) is used when a product is measured by its weight. Examples of products defined as "GM" include but are not limited to:

- Creams (of 1 gram or greater)
- Ointments (of 1 gram or greater)
- Inhalers (when labeled as grams on the product)

## Convenience Kits:

Point-of-use convenience kits are non-reimbursable. These kits typically contain injectable drugs as well as the medical supplies required to administer the injection. The components of these kits must be billed separately to be considered for reimbursement. The practice expense payment for a given procedure frequently already includes the payment for these supplies.

## Related Policy

N/A

## References

21 USC Ch. 9, Subchapter V, Drugs and Devices

## Publication History

| Date Action | Description |
|---|---|
| 7/23/2018 | Original Documentation |
| 8/27/2018 | Approval and inclusion in Oscar Provider Manual |
| 4/10/2019 | Policy Updated |
| 2/27/2024 | Annual Review; Name Changed to National Drug Code (NDC), added description and rationale sections. No change to policy intent. RP Governance Committee Approved. |