

Bulletin: MSA 10-26

Distribution: Medicaid Health Plans

Issued: July 1, 2010

Subject: National Drug Code (NDC) Reporting for Outpatient Drugs Dispensed to Individuals Enrolled in Medicaid Health Plans

Effective: March 23, 2010

Programs Affected: Medicaid

The purpose of this bulletin is to inform Medicaid Health Plan (MHP) providers of the reporting requirements for the NDC and its corresponding information for outpatient drugs on the American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 professional and institutional claim formats, the National Council for Prescription Drug Programs (NCPDP) pharmacy claim format and the Centers for Medicare and Medicaid Services (CMS) 1500 (08/05) paper claim form. This requirement is mandated to ensure the Michigan Department of Community Health's (MDCH) compliance with the Patient Protection and Affordable Care Act (PPACA), P.L. 111-148. The PPACA requires Medicaid to collect rebates for certain covered outpatient drugs.

A covered outpatient drug is limited to products from drug manufacturers who have rebate agreements administered by CMS. For a current listing of manufacturers with a signed CMS rebate agreement (maintained by CMS), please refer to the CMS website at www.cms.gov >> Medicaid >> Medicaid Drug Rebate Program >> Drug Company Contact Information.

Covered outpatient drugs dispensed by 340B providers are not subject to Medicaid drug rebate requirements if the outpatient drug is: 1) dispensed by Health Maintenance Organizations (HMO) including Medicaid managed care organizations that contract under section 1903(m) of the Social Security Act, and 2) are subject to discounts under section 340B of the Public Health Service Act. Section 340B protects manufacturers from paying both a Medicaid rebate and a 340B discount on the same drug. Providers that bill 340B prices must contact the MDCH Drug Rebate Specialist so their claims can be excluded from the drug rebates. Refer to the Directory Appendix of the Medicaid Provider Manual for more information.

For details on electronic billing instructions, billing multiple NDCs, compound drugs and paper billing instructions, refer to the following chapters in the Medicaid Provider Manual: Billing & Reimbursement for Institutional Providers, Section 6.12 and Billing & Reimbursement for Professionals, Section 6.4. Examples for billing the NDC supplemental information and the NDC 5-4-2 format can be found on MDCH's website.

Public Comment

The public comment portion of the policy promulgation process is being conducted concurrently with the implementation of the change noted in this bulletin. Any interested party wishing to comment on the change may do so by submitting comments in writing to:

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Or
E-mail: patrickfaganc@michigan.gov

If responding by e-mail, please include "NDC Reporting" in the subject line.

Manual Maintenance

Retain this bulletin until applicable information has been incorporated into the Michigan Medicaid Provider Manual. Providers should refer to the MDCH website at www.michigan.gov/medicaidproviders >> Billing and Reimbursement >> Provider Specific Information for additional code information.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

APPROVED



Stephen Fitton, Director
Medical Services Administration