



January 22, 2020

## Billing Requirements for Physician Administered Drugs

The Alliance is required to submit encounter data to the Department of Health Care Services (DHCS). In order to comply with DHCS requirements, all primary and secondary claims for Physician Administered Drugs (PAD) must be billed with a qualifier, National Drug Code (NDC), unit of measure and quantity. Units of measure include qualifier F2 (International Unit), GR (Gram), ML (Milliliter), and UN (Unit).

How do I submit a claim that includes a qualifier, NDC, unit of measure and quantity?

- \* Hardcopy submission on a CMS-1500 claim form:
  - o Shaded area of Box 24: enter product ID qualifier (omit space & hyphens) and the 11-digit NDC code. Directly following the last digit of the NDC, enter the two-character unit of measure qualifier followed by the numeric quantity.

- o Example of correct claim billing:

24. A. DATE(S) OF SERVICE						B.	C.	D. PROCEDURES, SERVICES, OR SUPPLIES			E.	F.	G.
From To						PLACE OF	EMG	(Explain Unusual Circumstances)			DIAGNOSIS	\$ CHARGES	DAYS
MM	DD	YY	MM	DD	YY	SERVICE		CPT/HCPCS	MODIFIER	POINTER		OR	UNITS
N400062179615								UN0000028000					
10	01	15	10	01	15	11		X7706			15600	13	

NDC with N4 qualifier

Enter modifier UD if billing for Section 340B drugs

2-character unit of measure qualifier and numeric quantity

- \* Hardcopy submission on a UB-04 claim form:
  - o Field 43: enter product ID qualifier (omit space & hyphens) and the 11-digit NDC code. Directly following the last digit of the NDC, enter the two-character unit of measure qualifier followed by the numeric quantity (A nine digit number. The nine digits consist of six digits for the whole number, followed by three decimal places.)
- o Example of correct claim billing:

42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATE / HIPPS CODE	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES
1	N400062179615UN000028000	X7706	070108	13	156.00

N4 qualifier/NDC/  
unit of measure/quantity

Enter modifier UD if billing  
for Section 340B drugs

- \* EDI submission for Professional (837p) and Institutional (837i) Claims:

Loop	Segment	Element Name
o 2410	LIN	Product or Service ID Qualifier
o 2410	LIN	Product or Service ID
o 2410	CTP	Quantity
o 2410	CTP	Unit or Basis for Measurement Code



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Unit of measure and quantity are currently not required for direct submission to the Alliance or DHCS per Medi-Cal guidelines and therefore omitting such data will not result in claim denial. However, in the near future claims lacking unit of measure and quantity will be denied. The denial reason will be 522 - *physician administered drug information missing or invalid*.

This memo is a courtesy notice to urge providers to make the appropriate billing modifications now before such billing prompts claim denials. Additional noticing of this billing requirement will be sent out to providers following our standard noticing timeframes.

If you have any questions or need more information, please contact the Alliance Claims department at (800) 700-3874, ext. 5503.