

National Drug Codes (NDCs) Are Required for Professional and Outpatient Claims

To support accurate and timely claims processing, we require all providers and facilities to follow industry standard guidelines and/or health plan policies for submitting National Drug Codes (NDCs) on claims that include drug-related services. Proper NDC submission helps ensure faster reimbursement and reduces claim friction, improving member experience. *Incorrect or missing NDC information will cause payment not to be approved.*

What Is an NDC?

The NDC is a universal identifier for a drug. It consists of 11 digits in a 5-4-2 format. The first five digits identify the drug's manufacturer and are assigned by the FDA. The remaining digits are assigned by the manufacturer and coincide with the specific product and package size.

Some packages will display fewer than 11 digits, but leading zeroes should be assumed and must be used when billing. For example:

A code that looks like this	Should be billed with leading zeroes like this
XXXX-XXXX-XX	0XXXX-XXXX-XX
XXXXX-XXX-XX	XXXXX-0XXX-XX
XXXXX-XXXX-X	XXXXX-XXXX-0X

The NDC is found on the drug container (vial, bottle, tube, and so on). The NDC submitted to us must match the actual NDC on the package or container from which the drug was administered. You should not bill one manufacturer's product and dispense another. Neither should you bill using invalid or obsolete NDCs.

The following is advice for submitting claims that include drug-related services.

CMS-1500 Paper Claims (Professional Services)

Where to report:

- Line 24A (shaded area): Enter the NDC information.
- Line 24D: Enter the HCPCS code for the drug-related service.

<https://bluecrossnc.com/providers/networks-programs/blue-medicare/healthy-blue-medicare>

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Format example — N412345678901 UN1:

- N4 is the NDC qualifier.
- 12345678901 (11 digits) is the NDC without hyphens.
- UN is the unit-of-measure code.
- 1 is the quantity administered.

UB-04 Paper Claims (Institutional Services)

Where to report:

- Form Locator 43 (*Revenue Description* field)

Format example — N412345678901UN1:

- Run the NDC, unit of measure, and quantity together, no spaces

Electronic Claims, ANSI X12 5010 Format

837P (professional):

- Loop 2410 — LIN segment:
 - LIN02: N4 (qualifier)
 - LIN03: 12345678901 (11-digit NDC)
- CTP segment:
 - CTP04: quantity
 - CTP05-1: unit (UN, ML, and so on)

837I (Institutional):

- Loop 2400 — service line
- Nested loop 2410 — drug identification:
 - Same as 837P LIN and CTP segment structure

Acceptable Units of Measure

NDC units are based on the numeric quantities administered to the patient and the unit of measure (UOM).

The UOM codes are:

- F2 — international unit
- GR — gram
- ME — milligram
- ML — milliliter
- UN — unit

Decimal Quantity and Formatting Rules:

- Always include decimal quantities when reporting partial units (example: *ML1.5*, *GR0.045*).
- Maximum of eight digits before the decimal and up to three digits after (example: *12345678.123*).
- Avoid zero fill, commas, or leaving blank spaces.

Common Errors That Lead to Reimbursement Not Being Approved:

- Missing or incorrectly formatted NDC
- Using a 10-digit NDC instead of converting it to the 11-digit format
- Omitting the quantity or using an incorrect UOM code
- Mismatch between NDC and HCPCS units

Additional Submission Requirements and Exclusions

Exclusions

Radiopharmaceuticals, hemophilia drugs, gene therapy drugs, G-codes, and P-codes are exempt from NDC reporting.

Compound Drugs

Report each drug/NDC on a separate claim line. Use modifiers KP (first drug) and KQ (second/subsequent drugs) on paper claims.

Multiple NDCs

Submit each applicable NDC on its own claim line.

Use the NDC From the Administered Unit

Report the NDC from the individual vial administered to the patient, not the box or bulk packaging.

We're Here to Help

For additional assistance with NDC submissions or claims questions, use the Chat with Payer feature on <https://Availity.com> or contact Provider Services at **833-540-2106**.

We appreciate your continued partnership and commitment to high-quality patient care.