




State of New Mexico
Medical Assistance Program Manual
Supplement



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TO: FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs), RURAL HEALTH CLINICS (RHCs), HOSPITAL-BASED RURAL HEALTH CLINICS (HB-RHCs), AND PHARMACY PROVIDERS AND PRACTITIONERS PARTICIPATING IN THE NEW MEXICO MEDICAID PROGRAM

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SUBJECT: BILLING FOR LONG-ACTING REVERSIBLE CONTRACEPTION PRODUCTS IN FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs), RURAL HEALTH CLINICS (RHCs), AND HOSPITAL-BASED RURAL HEALTH CLINICS (HB-RHCs)

This supplement supersedes Supplement 16-09. The Medical Assistance Division (MAD) of the New Mexico Human Service Department is unbundling Long-Acting Reversible Contraception (LARC) drugs and devices from the encounter rate to ensure that women treated at Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), and Hospital-Based Rural Health Clinics (HB-RHCs) have access to LARC when electing to use such products through supplement 16-09. This supplement corrects the procedure code language.

Because of the high cost of these products, MAD believes that reimbursing these providers for the drug or device, in addition to their encounter rate, helps ensure that providers are reasonably reimbursed when using one of these products.

Effective September 1, 2016, FQHC, RHC, and HB-RHC, may bill for LARC items as a separate line on the UB/83 71 claim format. The line must contain a revenue code, a procedure code, and an NDC code, as follows:

- **Revenue Code:** 0636 Drugs Requiring Specific Identification & Detailed Coding
- **Procedure Codes:** In addition to the revenue code, a procedure code must be on the claim line associated with the revenue code (only one claim line for a LARC will be payable on the same date of service). Some of the most commonly used LARC codes are:

J7296 Levonorgestrel-releasing intrauterine contraceptive system (kyleena), 19.5 mg
J7297 Levonorgestrel-releasing intrauterine contraceptive system (liletta), 52 mg
J7298 Levonorgestrel-releasing intrauterine contraceptive system (mirena), 52 mg
J7300 Intrauterine Copper Contraceptive
J7301 Levonorgestrel-releasing intrauterine contraceptive system (skylar), 13.5 mg
J7307 Etonogestrel (contraceptive) implant system, including implant and supplies
J7297 Levonorgestrel-Releasing Intrauterine Contraceptive System 52 mg 3 yr

Please find HCPC Fee for Service Schedule at [Fee-for-service schedules](#)

- **National Drug Code (NDC):** In addition to the revenue code and procedure code, a NDC code for the specific product must be on the claim line.

Refer to the instructions below for the correct formatting of a NDC code, and compare to the following examples:

J7297 LILETTA 52 mg 3 year

Example: NDC 52544-035-54 Liletta 52 mg system (by Actavis U.S.)

To create the 11-digit NDC number, a leading zero is added before the 035 as explained below, and the NDC billed is 52544003554.

J7298 MIRENA 52 mg 5 year

Examples: NDC 50419-421-01 Mirena (by Bayer) (20 mcg/24hr)

NDC 50419-423-01 Mirena (by Bayer) (20 mcg/24hr)

To create the 11-digit NDC number, a leading zero is added before the 421 as explained below and the NDCs are billed as:

NDC 50419042101

NDC 50419042301

J7307 Levonorgestrel Implant System including implants and supplies.

Example: NDC 78206-145-01 Nexplanon with magnesium stearate (by Organon)

To create the 11-digit NDC number, a leading zero is added before the 145 as explained below and the NDC are billed as:

NDC 78206014501

Understanding the National Drug Code (NDC):

The NDC code, which is found on the label of a prescription drug item, must be included on the UB claim form or in the 837-electronic transaction.

The NDC is a universal number that identifies a drug. The complete NDC number format consists of 11 digits in a 5-4-2 format such as "12345-1234-12."

However, sometimes the NDC printed on a drug item omits a leading zero in one of the segments, requiring a leading zero to be entered on the claim form. For example, the printed NDC may be "1234-1234-12;" the leading zero must be entered as in 01234-1234-12 or the printed NDC may be "12345-123-12" the leading zero must be entered as in 12345-0123-12.

For example, instead of the digits and hyphens being in a 5-4-2 format, the NDC may be indicated in a 4-4-2 as in "1234-1234-12"; or in a 5-3-2 format as in "12345-123-12", or less commonly in a 5-4-1 format as in "12345-1234-1."

Hyphens are not to be used in billing.

INSTRUCTIONS FOR BILLING LARC ITEMS ADMINISTERED IN FOHCS, RHCS, AND HB-RHCS

Because reporting of the NDC code requires providers to use both the upper and lower rows on a claim line, be certain to line up the information accurately so that all characters fall within the proper box and row.

UB Form:

Even though a NDC is entered, a valid revenue code must be entered in form locator 42 and a HCPCS or CPT code must be entered in form locator 44. For billing LARC, use revenue code 0636 and the LARC procedure codes indicated above.

The NDC must be entered in box 43, which is currently labeled "description". Beginning at the left edge of form locator 43, enter the 2-digit qualifier "N4" immediately followed by the 11-digit NDC. An example of an entry for the NDC code 00054352763 will be: N400054352763.

