



State of New Mexico
Medical Assistance Program Manual
Supplement



DATE: September 16, 2016

NUMBER: 16-09

**TO: ALL FEDERALLY QUALIFIED HEALTH CENTERS, RURAL HEALTH CLINICS,
AND HOSPITAL-BASED RURAL HEALTH CLINICS**

FROM: NSL NANCY SMITH-LESLIE, DIRECTOR, MEDICAL ASSISTANCE DIVISION

SUBJECTS: BILLING FOR LONG ACTING REVERSIBLE CONTRACEPTION PRODUCTS

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.

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 assure 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/837I 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 one of the following HCPC codes:

J7297 Levonorgestrel-Releasing Intrauterine Contraceptive System 52 mg 3 yr

Payment amount \$625.00

Example: NDC 52544003554 Liletta 52 mg system (by Actavis U.S.)

Note a leading zero is added before the 035 as explained below.

J7298 Levonorgestrel-Releasing Intrauterine Contraceptive System 52 mg 5 yr

Current payment amount \$858.33

Examples: NDC 50419042101 Mirena (by Bayer) (20 mcg/24hr)
NDC 50419042301 Mirena (by Bayer) (20 mcg/24hr)

Note a leading zero is added before the 421 as explained below.

J7300 Intrauterine Copper Contraceptive IUD

Current payment amount \$739.00

Examples: NDC 51285020401 Paragard T 380-A (by Teva Women's Health)
NDC 51285020402 Paragard T 380-A (by Teva Women's Health)

Note a leading zero is added before the 204 as explained below.

J7301 Levonorgestrel-releasing Intrauterine Contraceptive System 13.5 mg

Current payment amount \$714.70

Example: NDC 50419042201 Skylar (by Bayer)

Note a leading zero is added before the 422 as explained below

J7306 Levonorgestrel Implant System including implants and supplies

Manually priced

Example: NDC 00052027401 Nexplanon (by Organon)
NDC 00052433001 Nexplanon with magnesium stearate (by Organon)

Note all the leading zeros must be used

- **National Drug Code (NDC):** In addition to the revenue and procedure code, an NDC code must be on the claim following the instructions below:

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 consists of 11 digits with hyphens separating the number into three segments in a 5-4-2 format such as "12345-1234-12."

However, sometimes the NDC as 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, 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 "1234-1234-1", 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.

See the following examples:

- If the code printed on the package is in the 5-4-2 format, no zeros need to be added. 12345-1234-12 would be reported as 12345123412.
- If the code printed on the package is in the 4-4-2 format, a leading zero must be added in order to put the NDC code in a 5-4-2 format. NDC 1234-1234-12 would need a leading zero in the first segment to be in the 5-4-2 digit format. 1234-1234-12 would be reported as NDC 01234123412.
- If the code printed on the package is in the 5-3-2 format, a leading zero must be added to the second segment in order to put it in the 5-4-2 digit format. 12345-123-12 would be reported as NDC 12345012312.
- If the code printed on the package is in the 5-4-1 format, a leading zero must be added to the third segment to put it in the 5-4-2 digit format. 12345-1234-1 would be reported as 12345123401

Note that the NDC codes shown as examples related to the procedure codes beginning with J, above, have all been placed in the correct format.

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 an 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 as “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.

01 OCCURRENCE CODE		02 OCCURRENCE DATE		03 OCCURRENCE DATE		04 OCCURRENCE DATE		05 OCCURRENCE FROM		06 OCCURRENCE THROUGH		07 OCCURRENCE FROM		08 OCCURRENCE THROUGH	
<div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block;">Enter NDC in box 43 </div>															
43 REV CD		42 DESCRIPTION				44 HCPCS / RAT / HPS CODE		45 BSNY DATE		46 BSNY UNIT		47 TOTAL CHARGES		48 RECOVERED CHARGES	

Minimal Information:

The minimal information fields required by MAD are:

- the qualifier
- the NDC
- the correct reporting of units for the HCPCS or CPT code – which for LARC will always be “1” unit.

Should you have questions on how to bill for LARC, please contact Sonya Miera at (505) 827-3145 or Sonya.Miera@state.nm.us.