National Drug Code (NDC) Requirement Policy, Professional and Facility

IMPORTANT NOTE ABOUT THIS REIMBURSEMENT POLICY

You are responsible for submission of accurate claims. This reimbursement policy is intended to ensure that you are reimbursed based on the code or codes that correctly describe the health care services provided. UnitedHealthcare Community Plan reimbursement policies uses Current Procedural Terminology (CPT®), Centers for Medicare and Medicaid Services (CMS) or other coding guidelines. References to CPT or other sources are for definitional purposes only and do not imply any right to reimbursement.*

This reimbursement policy applies to all health care services billed on CMS 1500 forms and, when specified, to those billed on UB04 forms. Coding methodology, industry-standard reimbursement logic, regulatory requirements, benefits design and other factors are considered in developing reimbursement policy.

This information is intended to serve only as a general reference resource regarding UnitedHealthcare Community Plan's reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, UnitedHealthcare Community Plan may use reasonable discretion in interpreting and applying this policy to health care services provided in a particular case. Further, the policy does not address all issues related to reimbursement for health care services provided to UnitedHealthcare Community Plan enrollees.

Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors include, but are not limited to: federal &/or state regulatory requirements, the physician or other provider contracts, the enrollee's benefit coverage documents, and/or other reimbursement, medical or drug policies.

Finally, this policy may not be implemented exactly the same way on the different electronic claims processing systems used by UnitedHealthcare Community Plan due to programming or other constraints; however, UnitedHealthcare Community Plan strives to minimize these variations.

UnitedHealthcare Community Plan may modify this reimbursement policy at any time by publishing a new version of the policy on this Website. However, the information presented in this policy is accurate and current as of the date of publication.

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Application

This reimbursement policy applies to UnitedHealthcare Community Plan Medicaid and Medicare products.
This reimbursement policy applies to services reported using the 1500 Health Insurance Claim Form (a/k/a CMS-1500), the 837 professional transaction, UB-04 Claim Form, the 837i facility transaction, or any successor form. This policy applies to all products, all network and non-network physicians and other health care professionals, including, but not limited to, non-network authorized and percent of charge contract physicians and other health care professionals.

Policy

Overview

This policy describes the National Drug Code information that is required on professional drug claims and hospital outpatient facility claims that are reported for reimbursement.

National Drug Code (NDC) numbers are the industry standard identifier for drugs and provide full transparency to the medication administered. The NDC number identifies the manufacturer, drug name, dosage, strength, package size and quantity.

For purposes of this policy, a valid NDC number, NDC unit of measure and NDC units dispensed for the drug administered will be required for reimbursement of professional drug claims on a1500 Health Insurance Claim Form (a/k/a CMS-1500), the 837-professional transaction, a UB-04 Claim Form or the 837i facility transaction.

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Reimbursement Guidelines

The NDC is a unique numeric identifier assigned to medications listed under Section 510 of the United States Federal Food, Drug and Cosmetic Act. The 11-digit NDC is separated into three segments in a 5-4-2 format. They are as follows:

- The first five digits identify the manufacturer of the drug and are assigned by the Food and Drug Administration (FDA).
- The remaining 6 digits are assigned by the manufacturer and identify the specific product and package size

Sometimes the NDC on the label does not include the 11 digits. If this occurs, it will be necessary to add a leading zero to the appropriate section to create a 5-4-2 configuration (i.e., 66733-0948-23 in the following sample). A valid NDC without spaces or hyphens should be placed on the medical claim. The NDC number on the container may be different than the NDC number on the external package; therefore, the NDC submitted must be the actual valid NDC number on the container from which the medication was administered (i.e., If a medication has both an exterior and interior packaging containing an NDC, the interior packaging NDC should be listed on the claim).

XXXX-XXXX-XX = 0XXXX-XXXX-XX
XXXXX-XXX-XX=XXXXX-0XXX-XX
XXXXX-XXXX-X=XXXXX-XXXX-0X

NDC Unit of Measure (UOM)

UOM	Description	General Guidelines
F2	International unit	International units will mainly be used when billing for Factor VIII-Antihemophilic Factors
GR	Gram	Grams are usually used when an ointment, cream, inhaler, or bulk powder in a jar is dispensed. This unit of measure will primarily be used in the retail pharmacy setting and not for physician-administered drug billing.
ML	Milliliter	If a drug is supplied in a vial in liquid form, bill in milliliters.
UN	Unit	If a drug is supplied in a vial in powder form, and must be reconstituted before administration, bill each vial (unit/each) used.

Note: ME is also a valid unit of measure, but we recommend using the appropriate UN or ML indictor as this is generally how drugs are priced.

NDC Units Dispensed
The actual decimal quantity administered, and the units of measurement are required on the claim. If reporting a partial unit, use a decimal point. (i.e., if three 0.5 ml vials are dispensed, report ML1.5).

- GR0.045
- ML1.5
- UN2.0

The number of digits for the quantity is limited to eight digits before the decimal and three digits after the decimal. If entering a whole number, do not use a decimal. Do not use commas. Do not zero fill, leave remaining positions blank. Please refer to the following examples:

- 1234.56
- 2
- 12345678.123

Requiring the NDC information will differentiate drugs that share the same HCPCS, CPT, or Revenue codes for drug preferences and enhance reimbursement processes.

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The NDC requirement will not apply to child and adult immunization drug codes.
If the NDC information is missing, invalid, incomplete, or does not match the HCPCS or CPT submitted, the claim may be denied. If the claim is denied, it can be resubmitted with the appropriate NDC information for reconsideration of reimbursement.

Maximum Units per Package

Units submitted for a drug should not exceed the package maximum units available based on the NDC number or in increments associated with the drug package. Maximum units will be applied for specific drugs where a specific and standard number of units should be submitted per the NDC of the package.

When units submitted exceed, the maximum units allowed per package or when units submitted are not in increments of the package, the units over the maximum unit will be denied.

For a list of NDC numbers for packaged drugs and their maximum units, please refer to the Attachment section below.

Questions and Answers	
1	**Q:** Do I have to bill the NDC information in addition to HCPCS, CPT or Revenue codes? **A: Yes**, the NDC information must be submitted in addition to the applicable HCPCS, CPT or Revenue code(s) and the number of HCPCS, CPT or Revenue code units.
2	**Q:** Are the NDC units dispensed different from the HCPCS, CPT, and Revenue code units? **A:** Yes. The units submitted for HCPCS, CPT, and Revenue codes are based on the HCPCS, CPT and Revenue code description. The NDC units dispensed are based upon the numeric quantity administered to the patient and the NDC unit of measure.
3	**Q: If** the medication comes in a box with multiple vials, should I use the NDC number on the box or the NDC number on the individual vial? **A: The** NDC required is from the individual vial that was administered to the member along with the appropriate NDC unit of measure and NDC quantity administered.

State Exceptions	
Arizona	Arizona Medicaid utilizes a state specific NDC list and has exception to policy for both professional and outpatient facility claims.
Hawaii	Valid NDC number is required for J9030 and J3530, but not required for all other vaccine codes.
Massachusetts	Valid NDC Number not required for vaccine codes
Michigan	Michigan has an exception to the hospital outpatient NDC editing portion of NDC reimbursement policy.
New Jersey	Valid NDC number not required for vaccine codes. New Jersey has an exception and NDC codes are not required with Radiopharmaceuticals.

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Attachments	
NDC Numbers for Packaged Drugs with Maximum Units	This list contains NDC Numbers for packaged drugs and their maximum units.

Resources

Centers for Medicare and Medicaid Services, CMS Manual System and other CMS publications and services

US Food and Drug Administration (FDA) National Drug Code Directory

United States Federal Food, Drug and Cosmetic Act

Deficit Reduction Act of 2005

History

9/1/2026	Policy Version Change History Section: Entries prior to 9/1/2024 archived
8/14/2025	Policy Version Change State Exceptions Section: Nebraska removed
7/30/2025	Policy Version Change & Verbiage updated State Exceptions Section: Tennessee removed
7/08/2025	Policy Date and Version Change State Exceptions Section: California, Florida, Kansas, Maryland, Mississippi, Missouri, Pennsylvania, Texas, Virginia, Washington, Wisconsin, Washington DC, New Mexico, New York removed, and Michigan updated History section: Entries prior to 7/08/2023 archived
12/14/2016	Policy approved by the Payment Policy Oversight Committee

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