

PROVIDER MEMO

To: SCFHP Providers
From: Chris Turner
Chief Operating Officer
Date: July 17, 2019
Subject: Requirement to include NDC codes in Claims and Encounter Submissions

Dear SCFHP Provider,

Effective immediately, SCFHP will require that claims or encounters for Physician Administered Drugs (PADs) include a valid 11-digit National Drug Code (NDC) in order to be considered for payment and/or counted toward the Medi-Cal Provider Performance Program (PPP) quality reporting.

Under the Federal Deficit Reduction Act of 2005 (DRA), all state Medicaid agencies who collect PAD rebates from drug manufacturers are required to collect NDCs through claims. This requirement has been in effect nationally since April 1, 2009.

As of July 1, 2019 the Department of Health Care Services (DHCS) will validate encounters for PADs to ensure they include a valid 11-digit NDC that corresponds to the HCPCS code on PAD claims. In order to align our policies with those of DHCS, SCFHP will begin enforcing the NDC requirement, and PAD claims that are received without a valid NDC will be denied.

What action is required from you?

- If you already comply with this requirement, you may disregard this memo.
- If you do not currently comply with this requirement, you will need to update your billing procedures to include a valid 11-digit NDC that corresponds to the HCPCS code on your PAD claims.
- If a claim is denied based on non-compliance with this new NDC policy, do not submit a request for Provider Dispute Resolution (PDR). Instead, submit a corrected claim.
- Should a corrected claim need to be submitted, follow our corrected claims process with the inclusion of a valid 11-digit NDC. Be sure to indicate it is a corrected claim and reference the original claim number you are correcting. Corrected claims may be sent to SCFHP through a clearinghouse. SCFHP will process an adjustment for the denied portion of the claim.

If you have any questions regarding this information please email Provider Network Management at providerservices@scfhp.com.

Thank you for your attention to this matter and for the care you provide to SCFHP members.