



State of New Mexico
 Medical Assistance Program Manual
Supplement



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TO: HOSPITALS PARTICIPATING IN THE NEW MEXICO MEDICAID PROGRAM

FROM: NICOLE COMEAUX, DIRECTOR, MEDICAL ASSISTANCE DIVISION *KLA NC*

SUBJECT: MEDICAID BILLING FOR LONG-ACTING REVERSIBLE CONTRACEPTION (LARC) PRODUCTS PROVIDED IN AN INPATIENT SETTING

The New Mexico Human Services Department, Medical Assistance Division (HSD/MAD) understands that when a Long-Acting Reversible Contraception (LARC) drug or device (contraceptive implant or intrauterine device (IUD)) is provided in an inpatient hospital setting, the Diagnosis-Related Group (DRG) rate does not provide any additional reimbursement to the hospital facility for the LARC item or its administration/insertion.

The Medicaid program covers long-acting birth control devices that are provided in a hospital setting within the delivery stay. To assure that reimbursement to hospitals that provide LARC on an inpatient basis is reasonable and adequate, MAD will allow hospital providers to bill and be paid for LARC services and devices separately, and in addition to, the inpatient hospital stay. The separation of reimbursement for LARC services and devices from the inpatient hospital stay applies to both the Medicaid fee-for-service (FFS) and Centennial Care programs.

This will be accomplished by:

- 1) The hospital provider billing and being paid for the inpatient stay just as they do now.
- 2) The hospital provider billing an outpatient hospital claim using a UB form or 837 (see “UB Form and 837 I Instructions”). The outpatient claim will be paid for the LARC drug or device, separately and in addition to the inpatient hospital stay, even though the dates of service fall within the span of the inpatient stay.
- 3) The professional component or physician charges for the insertion can be billed using the CMS 1500 or 837P (professional claim) format in addition to the delivery procedure, in accordance with current practice.

Instructions: To bypass the DRG payment calculation when an eligible Medicaid recipient receives a LARC item while in the inpatient setting, the hospital provider may bill the LARC item separately using the outpatient UB format as follows:

- Typically, the type of bill will be 131, hospital outpatient
- The line must contain a revenue code, a procedure code, and a NDC code, as follows:
 - **Revenue Code:** 0636 Drugs Requiring Specific Identification & Detailed Coding
 - **Procedure Code:** In addition to the revenue code, a procedure code must be on the claim line associated with the revenue code. 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 (skylara), 13.5 mg

J7307 Etonogestrel (contraceptive) implant system, including implant and supplies

- **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 03 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

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, 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.

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 NDC 12345123401.

Instructions for Billing LARC Items on an Outpatient Hospital Claim:

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

UB Form and 837 I Instructions:

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.

12	DATE	13	HR	14	TYPE	15	SRCD	16	17	18	19	20	21	22	23	24	25	26	27	28	STATE
31	OC	32	OC	33	OC	34	OC	35	OC	36	OC	37	OC								
31	OC	32	OC	33	OC	34	OC	35	OC	36	OC	37	OC								
38	39	40	41																		
38	39	40	41																		
38	39	40	41																		
38	39	40	41																		
42	43	44	45	46	47	48															
42	43	44	45	46	47	48															

Enter NDC in box 43

837 I instructions:

You will need to notify your billing or software vendor that the NDC code is to be reported in the following fields in the 837 format:

- loop 2410
- seg LIN
- field LIN02: use the qualifier “N4”
- field LIN03: place the 11-digit NDC here

Follow the companion guides for more information.

Required Fields:

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.

If you have questions regarding the above information, you may contact the Reproductive Health Program Manager at (505) 476-6809.

We appreciate your participation in the Medicaid program.