Program Memorandum Carriers

Department of Health & Human Services (DHHS) Centers for Medicare & Medicaid Services (CMS)

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CHANGE REQUEST 2844

SUBJECT: Additional Guidelines for Implementing the National Council for Prescription Drug Program (NCPDP) Format

This Program Memorandum (PM) provides Durable Medical Equipment Regional Carriers (DMERC's) and their shared system maintainer ViPS, additional instructions for implementing the NCPDP format.

Supplies Billed on NCPDP Format

The final addendum rule requires supplies to be billed on the X12N 837. ViPS must remove the logic initially coded to accept supplies on the NCPDP format.

Reporting Modifiers in the Compound Drug Segment

Certain informational modifiers are required on compound ingredients. The NCPDP format does not currently support reporting modifiers in the compound segment. Therefore, the narrative portion in the prior authorization segment must be used to report these modifiers. The following must be entered in positions 001-003 of the narrative (Example, MMN or MNF). Starting at position 355, indicate the two-byte ingredient number followed by the two-position modifier:

MMN - Indicates that the Supporting documentation that follows is Medicare modifier information and CMN information or DIF information

MNA - Indicates that the Supporting documentation that follows is Medicare modifier information, CMN information or DIF information and narrative information

MFA - Indicates that the Supporting documentation that follows is Medicare modifier information, CMN information or DIF information and Facility Name and Address

MNF - Indicates that the Supporting documentation that follows is Medicare modifier information, CMN information or DIF information, narrative information and Facility Name and Address

MAC - Indicates that the Supporting documentation that follows is Medicare modifier information and Facility Name and Address

MAN - Indicates that the Supporting documentation that follows is Medicare modifier information, narrative information and Facility Name and Address

MAR - Indicates that the Supporting documentation that follows is Medicare modifier information and narrative information

The ViPS system must be modified to accept these values in the narrative.

Coordination of Benefits (COB)

The NCPDP has approved the following use of qualifiers for reporting Medicare COB amounts:

"07" = Medicare Allowed Amount
"08" = Medicare Paid Amount
"99" = Deductible Amount
"99" = Coinsurance Amount
"99" = Co-Payment Amount

Note: The first occurrence of "99" will indicate the Deductible Amount
The second occurrence of "99" will indicate the Coinsurance Amount
The third occurrence "99" will indicate the Co-Payment Amount.

The ViPS system must be modified to use these qualifiers for COB in the Other Payer Amount Paid qualifier field when applicable.

Inbound NCPDP Claim

The DMERC needs to be able to determine whether a beneficiary has Medicaid coverage and in which state. In order to determine this, the provider must enter the two position state alpha code followed by the word "MEDICAID" in the Group ID field (Example, NYMEDICAID or FLMEDICAID). Therefore, "XXMEDICAID" must be accepted in the Group ID field (301-C1) in order to allow DMERC's to determine that a beneficiary has Medicaid coverage in that specific state.

The ViPS system must be modified to accept the value "XXMEDICAID" in the Group ID field.

The information in this CR is included in the revised companion document that is being finalized.

The *effective and implementation date* of this PM for DMERC's is January 1, 2004.

These instructions should be implemented within your current operating budget.

This PM may be discarded after January 1, 2005.

If you have any questions, contact Tom Latella on 410-786-1310 or tlatella@cms.hhs.gov.