UnitedHealthcare® Medicare Advantage
Reimbursement Policy
CMS 1500
UB04
Policy Number 2026R6002B

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

IMPORTANT NOTE ABOUT THIS REIMBURSEMENT POLICY

This policy is applicable to UnitedHealthcare Medicare Advantage Plans offered by UnitedHealthcare and its affiliates.

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 Medicare Advantage reimbursement policies use 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 UB04 forms (CMS 1450) and to those billed on CMS 1500 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 resource regarding UnitedHealthcare's Medicare Advantage reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, UnitedHealthcare Medicare Advantage 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 Medicare Advantage enrollees. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to: legislative mandates, the facility 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 Medicare Advantage due to programming or other constraints; however, UnitedHealthcare Medicare Advantage strives to minimize these variations.

UnitedHealthcare Medicare Advantage may modify this reimbursement policy at any time to comply with changes in CMS policy and other national standard coding guidelines by publishing a new version of the reimbursement policy on this website. However, the information presented in this reimbursement policy is accurate and current as of the date of publication. UnitedHealthcare Medicare Advantage encourages physicians and other health care professionals to keep current with any CMS policy changes and/or billing requirements by referring to the CMS or your local carrier website regularly. Facilities can sign up for regular distributions for policy or regulatory changes directly from CMS and/or your local carrier. UnitedHealthcare's Medicare Advantage reimbursement policies do not include notations regarding prior authorization requirements.

** For more information on a specific enrollee's benefit coverage, please call the customer service number on the back of the member ID card.

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UnitedHealthcare® Medicare Advantage
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Application

This reimbursement policy applies to all Medicare Advantage products and for network provider services reported using the UB04 and CMS 1500 form or its electronic equivalent or its successor form.

Policy

Overview

This policy describes the National Drug Code information that is required on professional and facility drug 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 a 1500 Health Insurance Claim Form (a/k/a CMS-1500) or the 837 professional transaction.

A valid NDC number, NDC unit of measure and NDC units dispensed for unlisted drugs administered will be required for reimbursement of drug claims on a UB-04 Claim Form or the 837i facility

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 submitted must be the actual valid NDC number on the container from which the medication was administered.

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.
GR	Gram	Grams are usually used when an ointment, cream, inhaler, or bulk powder in a jar are dispensed. This unit of measure will primarily be used in the retail pharmacy.

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.

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 LM 1/5).

- 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 code for drug preferences, allow the ability to identify billing errors and improve reimbursement processes.

If the NDC is missing, invalid or incomplete the claim may be denied. If the claim is denied, then 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.

Questions and Answers	
1	**Q:** Do I have to bill the NDC information in addition to HCPCS/CPT codes? **A:** Yes, a valid NDC must be submitted in addition to the applicable HCPCS or CPT code(s) and the number of HCPCS/CPT units.
2	**Q:** Are the NDC units dispensed different from the HCPCS/CPT code units?

	A: Yes. The units submitted for HCPCS/CPT codes are based on the HCPCS/CPT 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 of the individual vial? **A:** The NDC required is from the vial that was administered to the member along with the appropriate NDC unit of measure and NDC quantity administered.

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

Resources

www.cms.gov

Deficit Reduction Act of 2005

Medicare Benefit Policy Manual - Chapter 15 Covered Medical and Other Health Services- Section 50

Medicare Claims Processing Manual - Chapter 17 - Drugs and Biologicals- Section 20.5.4, 70 and 90.3

Medicare Claims Processing Manual - Chapter 25 - Completing and Processing the Form CMS-1450 Data Set- Section 70 and 70.5

Medicare Claims Processing Manual - Chapter 26 - Completing and Processing Form CMS-1500 Data Set- Item 24

The Medicare Learning Network (MLN)-SE1234

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

United States Federal Food, Drug and Cosmetic Act

History

4/22/2026	Policy Version Change Policy List: Updated History section: Entries prior to 4/22/2024 archived
2/1/2026	Policy Version Change Policy List: Updated
12/23/2025	Policy Version Change Policy List: Updated

	Policy History Section: Entries prior to 12/23/2023 archived
9/1/2025	Policy Version Change Table of Content Section: Added
9/1/2024	Policy Version Change
5/30/2024	Policy Version Change Policy List Updated
4/25/2024	Policy Version Change Policy Application Section: Updated Policy List Updated
1/1/2017	Policy implemented by UnitedHealthcare Medicare Advantage
9/13/2016	Policy approved by the Payment Policy Oversight Committee