NCPDP BILLING UNIT STANDARD FACT SHEET

INTRODUCTION

To assist in consistent and accurate billing of pharmaceutical products, the National Council for Prescription Drug Programs (NCPDP) developed the Billing Unit Standard (BUS). The NCPDP BUS is maintained by Work Group 2 Product Identification. This fact sheet is offered as a introduction to the standard and to provide essential information on the standard. Permission is hereby granted to any organization to copy and distribute this material as long as this copyright statement is included, the contents are not changed, and the copies are not sold.

Since payers and providers are using the billing unit standard for the processing of drug claims, it is highly recommended that these standards be used for reporting. As new products and packaging are being created, it is recommended that manufacturers contact NCPDP (see below) in the initial phase of packaging development (i.e. at the point when packaging and labeling begins, continuing to the market entry date) to assist in the determination of billing units. Additionally, as units are reported to CMS for rebate purposes, it is recommended that the billing units meet the NCPDP BUS.

This recommendation will decrease the erroneous invoicing of rebates and reduce disputes. For example, according to the NCPDP BUS, birth control pills are reported as the total number of tablets. For rebate purposes, some manufacturers reported the units as the number of packs. This results in a 21- to 28-fold discrepancy in the rebate claim.

Due to the changing dynamics of the marketplace, not all products can be readily classified via the NCPDP BUS. These products need to be brought to NCPDP via a QUIC form for clarification prior to finalizing the official product labeling and packaging.

For further information contact the NCPDP at:

National Council for Prescription Drug Programs
9240 E. Raintree Dr.
Scottsdale, AZ 85260-7518
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BILLING UNIT STANDARD VERSION

Last Publication July 2013
This complete document is available to NCPDP members at:
http://www.ncpdp.org/members/Standards-Lookup.aspx

To become an NCPDP member go to http://www.ncpdp.org/Membership.aspx

The following provides guidance to the NCPDP BUS:

The goals of the NCPDP BUS are to achieve:

- Consistent and accurate billing of pharmaceutical products
- Common agreement on the application of the BUS by the industry
- To minimize exceptions

Billing unit questions and issues may be brought to the NCPDP utilizing a Quantity Unit Information Communication Form (QUIC form) for discussion and adjudication. For a copy of the

form go to http://www.ncpdp.org/billing-units.aspx. For a listing of meeting dates go to http://www.ncpdp.org/work-group-meeting.aspx.

Considerations when applying the Billing Unit Standard

- Precedence and perception in the industry
- Location of the NDC on the package and lowest dispensable unit/level that might be given to the patient
- How the "dispenser" is going to submit this product on a claim
- How the product is going to be prescribed
- Applicable good pharmacy practice
- Billing of pharmaceutical products at the point of dispensing
- Product and package labeling
- Patient and clinician understanding
- Quantity description on a product label received by the patient
- Impact on rebate systems
- Impact on claims adjudication

THE BILLING UNITS

The standard contains three billing units; "EA", "ML", and "GM". Below are the definitions and examples of each billing unit. The complete standard describes how the various types of pharmaceutical products fit into one of these standard-billing units.

BILLING UNIT OF "EACH" (EA)

"EA" (each) is used when the product is dispensed in discreet units. These products are not measured by volume or weight. The Billing Unit of "EA" is also used to address exceptions where "GM" and "ML" are not applicable. Examples of products defined as "EA" include but are not limited to:

- Tablets
- Capsules
- Suppositories
- Transdermal patches
- Non-filled syringes
- Tapes

The standard provides the correct assignment of a billing unit for the following categories also billed as eaches:

- Blister packs
- Oral powder packets
- Powder filled vials for injection
- Kits
- Unit-of-use packages with a quantity less than one milliliter or gram should be billed as "one each". For example, ointment in packets of less than 1 gram or eye drops in droppettes that are less than 1 ml. This rule does not apply to injectable products.

BILLING UNIT OF "MILLILITER" (ML)

"ML" (milliliter) is used when a product is measured by its liquid volume. Examples of products defined as "ML" include but are not limited to:

- Liquid non-injectable products of 1 ml or greater
- Liquid injectable products in vials/ampules/syringes
- Reconstitutable non-injectable products at the final volume after reconstitution except when they are in powder packets
- Inhalers (when labeled as milliliters on the product)

BILLING UNIT OF "GRAM" (GM)

"GM" (gram) is used when a product is measured by its weight.

Examples of products defined as "GM" include but are not limited to:

- Creams (of 1 gram or greater)
- Ointments (of 1 gram or greater)
- Inhalers (when labeled as grams on the product)