



P R O V I D E R B U L L E T I N

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To: All Pharmacy Providers**Subject: Most Common Billing Unit Discrepancies that Result in Manufacturer Drug Rebate Disputes**

Note: The information referenced below is not directed to those providers rendering services in the risk-based managed care (RBMC) delivery system.

Overview

For a drug manufacturer's products (legend and over-the-counter) to be covered by the Indiana Health Coverage Programs (IHCP), the manufacturer must have entered into, and have in effect, a rebate agreement with the federal government. (A list of rebating labelers may be found on the Web at <http://www.indianapbm.com> under *Pharmacy Services*.) The agreement states that the manufacturer agrees to pay each state a portion of the money that the state expended for that manufacturer's individual products each quarter. This is based on the number of units of each drug the state submits to the manufacturer for rebates. Therefore, IHCP providers must submit the correct number of units on each claim. The greatest number of manufacturer disputes is attributed to the number of units the state charges the manufacturer.

Billing units for some drug products may seem easy to determine, such as tablets or capsules that are billed as *each*. Correct billing units for injectable products and other products are not as easy to determine. IndianaAIM has systematic claim processing logic edits designed to identify potentially misbilled units. Even with such edits, some products have had a large number of manufacturer rebate disputes. The purpose of this bulletin is to highlight products that analysis has shown to cause manufacturer disputes because of potentially misbilled units.

Note: Incorrectly billed units require more administrative time and resources of the state and rebating drug manufacturers and slows down the return to the state of the rebate-related proceeds.

Manufacturers retain the right to audit specific providers' billing records, in the event of unresolved disputes. Careful adherence to correct billing units should help ensure that this is not required.

Billing Unit Definitions

The IHCP accepts only three billing units and they are the following:

- *Each (ea)* – The billing unit for capsules, tablets, kits, and unconstituted vials.
- *Milliliters (ml)* – The billing unit for liquid dosage form having a uniform concentration.

- Grams (gm) – The billing unit for products packaged by weight, such as ointments, creams, and powders that cannot be reconstituted for injection.

Factors Most Commonly Associated with Rebate-Related Disputes

Analysis consistently reveals the following factors as the most common causes of rebate disputes:

- Incorrect billing unit, such as billing for the number of milliliters in a vial instead of billing each to specify the entire contents of the vial.

Note: This example is an illustration only. Some products are billed by ml and some by each vial.

- Provider data entry errors, including those involving decimal or fractional quantities.
- Units billed exceed what would be expected as being within a normal range for the product; for example, the billed units appear inconsistent with what would be a normally dispensed quantity.
- The charged price on the claim that suggests a generic might have been dispensed when a brand name National Drug Code (NDC) was submitted on the claim.

According to drug rebate records, Table 1 shows those products most commonly disputed by rebating manufacturers. The table lists the correct billing unit for those drugs. Refer to this table to ensure that your claims for these products utilize the correct billing unit.

Table 1 – Correct Billing Units for Commonly Disputed Rebate Drugs

Drug Product	Billing Unit	Drug Product	Billing Unit
Abilify Solution	ml	Lidocaine Viscous Solution	ml
Acetylcysteine Vial	ml	Lovenox prefilled Syringe	ml
Activase Vial	ea (vial)	Lupron Depot Kit	ea (kit)
Albuterol Solution	ml	Merrem Vial	ea (vial)
Amox TR-K Clv Suspension	ml	Myobloc Vial	ml
Asmanex Twisthaler 220mcg	gram	Neulasta Syringe	ml
Avastin Vial	ml	Neupogen Vial	ml
Avonex Admin Pack Syringe	ea (syringe)	Novoseven	ea (mcg)
Bactroban Ointment	gram	Nutropin AQ Pen Cart	ml
Benzamycin Gel	gram	Nystatin Suspension	ml
Birth Control Pills	ea (tablet)	Primaxin Vial	ea (vial)
Cyanocobalamin 1000mcg/ml	ml	Procrit	ml
Ferrelcic Ampule	ml	Pulmozyme Ampule	ml
Fleet Enema	ml	Refresh Plus Eye Drops	ml
Furosemide Vial	ml	Restasis Eye Emulsion	ml
Genahist Liquid	ml	Sandostatin Vial	ml

(Continued)

Table 1 – Correct Billing Units for Commonly Disputed Rebate Drugs

Drug Product	Billing Unit	Drug Product	Billing Unit
Gentamicin Eye Drop	ml	Trisenox Ampule	ml
Heparin Lock Vial	ml	Unasyn Vial	ea (vial)
Herceptin Vial	ea (vial)	Vancomycin Vial	ea (vial)
Hypercare Solution	ml	Vidaza Vial	ea (vial)
Innohep Vial	ml	Zemplar Vial	ml
Intron A	ml	Zinc Oxide Ointment	gram
Ipratropium Br Solution	ml	Ziox Ointment	gram
Kayexalate Pdr	gram	Zofran Vial	ml
Lidocaine HCL Vial	ml	Zoloft Oral Concentrate	ml

Providers should contact the EDS Pharmacy Services Help Desk for Point-of-Service (POS) Claims Processing at (317) 655-3240 in the Indianapolis local area, or 1-800-577-1278, or by e-mail at INXIXPharmacy@EDS.com for questions about what constitutes the correct unit for a drug billed to the IHCP. All efforts to help minimize the number of manufacturer disputes are appreciated.

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