



Medi-Cal Rx

Policy Update: Use of “Inner” and “Outer” NDCs for Claim Submission

November 1, 2023

Background

The purpose of this alert is to notify pharmacy providers and prescribers that the policy for “inner” and “outer” NDCs for outpatient drugs has been updated. For more information about these updates, refer to the *Missing Price* section of the [Medi-Cal Rx Provider Manual](#).

What Pharmacy Providers and Prescribers Need to Know

“Inner” and “outer” NDCs for outpatient drugs may be used to submit a claim to Medi-Cal Rx if the manufacturer reports the price to First Databank (FDB), and the approved reimbursement methodology can be applied to the point-of-sale (POS) claim system. If FDB does not have a reported price, the claim will deny with **Reject Code 85 – Claim Not Processed**. When the “inner” NDC does not have a reported price but is used for claim processing, the claim will deny with Reject Code 85. The “outer” NDC price was most likely reported to FDB by the manufacturer.

Note: In the event that neither the “inner” nor “outer” NDC have a price reported to FDB, it is recommended to consider dispensing the drug using an alternate payable NDC from a different manufacturer.

What Pharmacy Providers and Prescribers Need to Do

Providers can resolve Reject Code 85 for “inner” and “outer” NDCs by taking the following steps:

- Resubmit the claim using the “outer” NDC if the “inner” NDC was denied with Reject Code 85.
- If the “outer” NDC cannot be used for claim submission, submit a paper claim via:
 - *Universal Claim Form (UCF)*; or
 - *California Specific Pharmacy Claim Form (30-1)*
 - For compounds only: *California Specific Compound Pharmacy Claim Form (30-4)*

Providers must include the 11-digit “inner” NDC being dispensed along with the “outer” NDC in the “Remarks” area. If not included, the claim will be denied.

Resources

- Refer to the following sections of the [Medi-Cal Rx Provider Manual](#):
 - *Paper Claim(s)*
 - *Missing Price*
 - *Completion Instructions for the Universal Claim Form*
 - *Completion Instructions for California Specific Pharmacy Claim Form (30-1)*
 - *Completion Instructions for California Specific Compound Pharmacy Claim Form (30-4)*
 - [Appendix B – Directory](#)

Contact Information

You can call the Medi-Cal Rx Customer Service Center (CSC) at 1-800-977-2273, which is available 24 hours a day, 7 days a week, 365 days per year.

For other questions, email Medi-Cal Rx Education & Outreach at MediCalRxEducationOutreach@magellanhealth.com.