



## ***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 provides introductory and essential information about the BUS. 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 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.

Because CMS requires reporting of unit type for purposes of rebates in the Medicaid Drug Rebate Program, it is recommended that manufacturers evaluate how the NCPDP BUS intersects with the CMS unit type, Units Per Package Size (UPPS) and the price reporting per unit. When possible, the NCPDP billing unit and CMS unit type/UPPS should synchronize. This synchronization should decrease erroneous invoicing of rebate units and reduce disputes. CMS defines "Unit" in the Medicaid National Drug Rebate Agreement as the "drug unit in the lowest dispensable amount." For example, if a manufacturer reports oral contraceptive tablets as EACH for purposes of NCPDP but reports pricing to CMS as the price of a pack of 28 tablets, this results in a 28-fold discrepancy in the rebate claim. Manufacturers may contact CMS with questions regarding the accurate reporting of unit type/UPPS and price reporting per unit for the purposes of the Medicaid Drug Rebate Program.

Due to the changing dynamics of the marketplace, not all products can be readily classified without careful consideration and critical examination of the NCPDP BUS. These products need to be brought to NCPDP via a Quantity Unit Information Communication Form (QUIC Form) for clarification prior to finalizing the official product labeling and packaging.

For further information contact NCPDP at:

National Council for Prescription Drug Programs  
9240 E. Raintree Dr.  
Scottsdale, AZ 85260-7518  
Telephone: 480-477-1000  
Fax: 480-767-1042  
E-mail: [ncpdp@ncpdp.org](mailto:ncpdp@ncpdp.org)

## **BUS CURRENT VERSION**

The latest publication of this standard document is available to NCPDP members on the [NCPDP Standards Lookup page](#).

For information on becoming an NCPDP member see the [NCPDP Membership page](#).

## **BUS GOAL**

The goals of the NCPDP BUS are to:

- Achieve consistent and accurate billing of pharmaceutical products
- Reach common agreement on the application of the BUS by the industry
- Minimize exceptions

## **BUS QUESTIONS AND ISSUES**

Questions and issues may be brought to NCPDP utilizing an [NCPDP QUIC Form](#) for discussion and disposition.

For more information on Billing Unit Requests see the [NCPDP Billing Unit Requests page](#).

See the [NCPDP Work Group Meeting page](#) for a list of upcoming meeting dates and locations.

## **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 the following 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
- Devices/Digital Therapies
- 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 dropperettes that are less than 1 mL. This rule does not apply to injectable products.

\* Please note, to ensure consistency, the NCPDP BUS specifically defines “Kits” as products that contain one of the following:

- 1) at least two distinct items with different billing units (e.g., EA and ML, EA and GM, ML and GM)
- 2) one product packaged with medicated or unmedicated swabs, wipes and/or cotton swabs/balls
- 3) meters packaged with test strips

*Kits with multiple, distinct trays are subject to be dispensed by the tray. Thus, kits with trays would be billed as “each” with a quantity equal to the number of trays.*

### **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)