



July 17, 2017

Colorado Division of Workers' Compensation
Attention:

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RE: NCPDP Approved External Code List (ECL) values for DoWC Z Codes for Compounds

The National Council for Prescription Drug Programs (NCPDP) is a not-for-profit American National Standards Institute (ANSI)-accredited Standards Development Organization (SDO) consisting of nearly 1600 members who represent drug manufacturers, chain and independent pharmacies, drug wholesalers, insurers, mail order prescription drug companies, claims processors, pharmacy benefit managers, physician services organizations, prescription drug providers, software vendors, telecommunication vendors, industry professional societies, service organizations, government agencies, and other parties interested in electronic standardization within the pharmacy services sector of the healthcare industry.

NCPDP creates the standards that facilitate the interchange of data amongst pharmacies, physicians, pharmacy benefits managers, payers, processors and manufacturers—including the HIPAA-named Telecommunication Standard Version D.0, the Universal Claim Form (UCF) and the Workers' Compensation/Property & Casualty Universal Claim Form (WC/PC UCF). NCPDP's Work Group 16 (WG16) Property and Casualty/Workers' Compensation is responsible for maintaining the standards and guidance specific to workers' compensation and other property/casualty lines of insurance.

WG16 wishes to inform you of a recent change which relates to the Colorado Division of Workers' Compensation (DoWC) pharmacy billing regulations (Rule 18-6(N)). The work group initiated a process within NCPDP to solve an issue in electronic billing associated with your regulations requiring state-specific billing codes (DoWC Z codes) for compound medications. The resultant solution will allow pharmacies to comply with your regulations when billing electronically using the NCPDP electronic billing standard, which is used across the country and adopted under HIPAA as well as your regulations.

To allow interoperability, state-specific or proprietary codes are not supported by healthcare industry adopted standards, including the NCPDP standards. NCPDP has a process to accommodate such proprietary codes which jurisdictions (or others not subject to HIPAA requirements) need in order to meet regulatory or other atypical requirements to allow continued use of our standards. This is the route WG16 took to accommodate your agency's adoption of these proprietary codes for compounds.

We are pleased to report the proposal for electronic submission was approved via NCPDP’s ballot process and published as part of NCPDP’s 201704 External Code List publication. The ECL Publication lists codes which are acceptable to use within the NCPDP standards. With this change, the official method for a pharmacy to submit the DoWC Z codes for compounds is through use of existing NCPDP Field 996-G1 (Compound Type). This data element uses two-digit codes listed under the “value” column in the ECL defined to correspond to the Z codes (it is not possible to submit the actual Z codes within the standard). This field is sent in addition to all other required compound-related data (example: ingredient NDCs). For your reference, at the end of this email we have included the four approved code values (highlighted) which have been added for this purpose, along with the ECL description for the use of this field.

Although these additions were made to the ECL as part of the April 2017 update, it is important to note NCPDP requests its members to honor a 180-day implementation time frame in order to allow member organizations time to make proper modifications to their systems enabling a smooth implementation. We encourage you to work with the affected entities as they strive to implement this change and achieve compliance with both your billing code requirements and the NCPDP billing standard adopted under your rules.

It should also be noted that these code values have only been approved for use when billing compounds. Should the Division choose to change the category descriptions or codes for compounds, NCPDP would need to change the code values in the ECL. This change would require the same approval process required for this initial change. The use of proprietary codes for other types of medications which are not compounds (for example: single-ingredient or multi-ingredient commercially manufactured drugs) is not permitted and could not be accommodated using this solution. We strongly encourage the Division to consider these constraints in any future billing regulation discussions or rule-making proceedings. We encourage the Division to reach out to NCPDP directly should future state-specific needs or concerns arise in terms of pharmacy billing. NCPDP welcomes the opportunity to work together toward any future solutions that would not only meet the regulatory need but also permit pharmacies to comply using existing NCPDP billing standards.

Please let us know of any questions or concerns. Thank you.

996-G1 Compound Type

Clarifies the type of compound.

FIELD FORMAT	x(2)
STANDARD FORMATS	Post Adjudication Standard (A), Telecommunication Standard (T)
FIELD LIMITATION	Used in Telecommunication Standard Version C.4 or greater but not in lower versions. Used in Post Adjudication Standard Version 2.0 but not in lower versions.

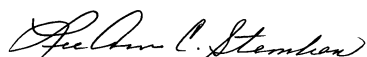
VALUE	DESCRIPTION
Blank	Not Specified <i>Used in Telecommunication Standard Version C.4 only. Value was deleted for use in higher versions of this standard.</i>

01	Anti-infective <i>A medicinal product intended to treat pathogens such as bacteria, viruses, fungi or parasites.</i>
02	Ionotropic <i>A medicinal product intended to correct irregular heart rhythms.</i>
03	Chemotherapy <i>A medicinal product intended to treat cancer.</i>
04	Pain Management <i>A regimen of therapy intended to ameliorate mild to severe discomfort.</i>
05	TPN/PPN (Hepatic, Renal, Pediatric) Total Parenteral Nutrition/Peripheral Parenteral Nutrition <i>Products intended to provide nourishment by central or peripheral veins for patients with compromised digestive tracts.</i>
06	Hydration <i>A product intended to restore body fluids.</i>
07	Ophthalmic <i>A product intended to be applied to or instill in the surface of the eye.</i>
08	Z0790 <i>WC CO Jurisdictional Code Category I - Any anti-inflammatory medication or any local anesthetic single agent.</i>
09	Z0791 <i>WC CO Jurisdictional Code Category II - Any anti-inflammatory agent or agents in combination with any local anesthetic agent or agents.</i>
10	Z0792 <i>WC CO Jurisdictional Code Category III - Any single agent other than anti-inflammatory agent or local anesthetic, either alone, or in combination with anti-inflammatory or local anesthetic agents.</i>
11	Z0793 <i>WC CO Jurisdictional Code Category IV - Two or more agents that are not anti-inflammatory agent or local anesthetic agents, either alone or in combination with other anti-inflammatory or local anesthetic agents.</i>
99	Other <i>Not defined by other available codes.</i>

For direct inquiries or questions related to this letter, please contact:

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Sincerely,



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