

Correct HCPCS Level II Drug Billing

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To be properly paid for drugs dispensed or administered by a provider in an office, outpatient or home infusion setting (other than pharmacy) it is important not to assume that units billed equal the amount administered. The Healthcare Common Procedure Coding System (HCPCS) Level II codes that describe drugs are very specific in their descriptors about the drug quantity that equates to a single unit, noting each code is specific based on the unique code descriptor.

A common mistake involves billing by the number of units administered rather than reporting the number of units represented by the HCPCS Level II code descriptor. Here are a few examples to ensure when assigning units billed for accuracy based on code description.

Billing Drug Units (UN Qualifier)

Example 1: [Drug Z]

HCPCS Level II Descriptor	J1234 [Injection, Drug Z , 7.5mg]
Unit of Measure (UM)	7.5mg is equal to 1 (UM) based on the HCPCS Level II code descriptor reported
Dose Administered (DA)	22.5mg
Correct Units Billed Calculation	Calculation: (DA [22.5mg] ÷ UM [7.5mg]) = 3 Units Billed
Incorrect Units Billed	22.5mg (Based on the reporting of the HCPCS Level II descriptor) which 1 (UM) equals 7.5mg NOT 22.5mg
(National Drug Code (NDC) Number	Report Applicable (NDC) Number

Example 2: [Drug X]

HCPCS Level II Descriptor	J1235 [Injection, Drug X , 250mL]
Unit of Measure (UM)	250mL is equal to 1 (UM) based on the HCPCS Level II code descriptor reported
Dose Administered (DA)	500mL
Correct Units Billed Calculation	Calculation: (DA [500mL] ÷ UM [250mL]) = 2 Units Billed
Incorrect Units Billed	500mL (Based on the reporting of the HCPCS Level II descriptor) which 1 (UM) equals 250mL NOT 500mL
NDC Number	Report Applicable (NDC) Number

Example 3: [Drug Y]

HCPCS Level II Descriptor	J1236 [Injection, Drug Y , 1mg]
Unit of Measure (UM)	1mg is equal to 1 (UM) based on the HCPCS Level II code descriptor reported
Dose Administered (DA)	10mg
Correct Units Billed Calculation	Calculation: (DA [10mg] ÷ UM [1mg]) = 10 Units Billed

Incorrect Units Billed	10mg (Based on the reporting of the HCPCS Level II descriptor) which 1 (UM) equals 1mg NOT 10mg
NDC Number	Report Applicable (NDC) Number

Example 4: [Drug XX]

HCPCS Level II Descriptor	J1237 [Injection, Drug XX , up to 10mg
Unit of Measure (UM)	The code descriptor covers 'up to 10mg' meaning any amount administered from 0.1 to 10 mg equals 1(UM) based on the HCPCS Level II code descriptor reported
Dose Administered (DA)	8mg
Correct Units Billed Calculation	Calculation: (DA [8mg] ÷ UM [up to 10 mg]) = 1 Unit Billed
Incorrect Units Billed	8mg (Based on the reporting of the HCPCS Level II descriptor) which 1 (UM) equals up to 10mg NOT 8mg
NDC Number	Report Applicable (NDC) Number

Example 5: [Drug XY]

HCPCS Level II Descriptor	J1237 [Injection, Drug XY , 0.25mg
Unit of Measure (UM)	0.25mg is equal to 1 (UM) based on the HCPCS Level II code descriptor reported
Dose Administered (DA)	0.75mg
Correct Units Billed Calculation	Calculation: (DA [0.75mg] ÷ UM [0.25 mg]) = 3 Unit Billed
Incorrect Units Billed	0.75mg (Based on the reporting of the HCPCS Level II descriptor) which 1 (UM) equals up to 0.25mg NOT 0.75mg
NDC Number	Report Applicable (NDC) Number

If you have any questions or require further information or assistance, please contact your provider relations consultant. If you are not sure who that is, please email providerrelations@bcbsvt.com or call (888) 449-0443 option 1 and you will be directed to the appropriate person.