

# 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]

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

### Example 2: [Drug X]

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

### Example 3: [Drug Y]

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

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

Example 4: [Drug XX]

<b>HCPCS Level II Descriptor</b>	<b>J1237</b> [Injection, <b>Drug XX</b> , up to 10mg
<b>Unit of Measure (UM)</b>	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
<b>Dose Administered (DA)</b>	8mg
<b>Correct Units Billed Calculation</b>	Calculation: (DA [8mg] ÷ UM [up to 10 mg]) = 1 Unit Billed
<b>Incorrect Units Billed</b>	8mg (Based on the reporting of the HCPCS Level II descriptor) which 1 (UM) equals up to 10mg <b>NOT</b> 8mg
<b>NDC Number</b>	Report Applicable (NDC) Number

Example 5: [Drug XY]

<b>HCPCS Level II Descriptor</b>	<b>J1237</b> [Injection, <b>Drug XY</b> , 0.25mg
<b>Unit of Measure (UM)</b>	0.25mg is equal to 1 (UM) based on the HCPCS Level II code descriptor reported
<b>Dose Administered (DA)</b>	0.75mg
<b>Correct Units Billed Calculation</b>	Calculation: (DA [0.75mg] ÷ UM [0.25 mg]) = 3 Unit Billed
<b>Incorrect Units Billed</b>	0.75mg (Based on the reporting of the HCPCS Level II descriptor) which 1 (UM) equals up to 0.25mg <b>NOT</b> 0.75mg
<b>NDC Number</b>	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](mailto:providerrelations@bcbsvt.com) or call (888) 449-0443 option 1 and you will be directed to the appropriate person.