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Web Announcement 166

NPI News from CMS: Key Dates for Medicare Providers and Common Claims Problems

The Centers for Medicare & Medicaid Services (CMS) has distributed the following updates regarding the National Provider Identifier (NPI):

As we get closer to May 23, 2008, be sure to pay attention to information from Medicare and other health plans regarding NPI implementation timelines.

Important Information for Medicare Providers

Summary of Key Medicare Dates:

October 29, 2007 - By this date, all carriers, Medicare Administrative Contractors for Medicare Parts A and B (A/B MACs) and Durable Medical Equipment Medicare Administrative Contractors (DME MACs) started rejecting claims where the NPI/legacy identifier combination used in claims cannot be validated against the NPI crosswalk. Informational edits will no longer be issued, but are being replaced by reject reports that will assist providers in determining why the claim is being rejected.

January 1, 2008 - As of this date, 837I electronic claims and UB-04 paper claims without an NPI in fields identifying the primary provider (billing and pay-to) will be rejected. Legacy identifiers paired with NPIs in the primary provider fields on the claim will still be acceptable as will legacy-only numbers in secondary provider fields (see clarification below).

May 23, 2008 - In keeping with the Contingency Guidance issued on April 3, 2007, CMS will lift its NPI contingency plan, meaning that only the NPI will be accepted on all HIPAA electronic transactions (837I, 837P, NCPDP, 276/277, 270/271 and 835), paper claims and standard paper remittance advices (SPR). This also includes all secondary provider fields on the 837P and 837I. The reporting of legacy identifiers will result in the rejection of the transaction. CMS will also stop sending legacy identifiers on Coordination of Benefits (COB) crossover claims at this time.

Common Claims Problems/Errors Causing Rejections

The following problems/errors are due to providers billing with incompatible NPI/legacy pairs:

- The type of NPI you use (Entity Type 1 or Entity Type 2) must match your Medicare enrollment personal identification number (PIN) (individual or organization). When compatible NPI/legacy pairs are submitted on a claim, there is a much higher success rate for finding a match on the NPI crosswalk, thus further ensuring timely and accurate processing of your claim.
- Those who are enrolled with Medicare as individuals but obtained an Organization (Entity type 2) NPI through NPPES (or vice versa) need to ensure their enrollment records are correct and their NPIs were obtained appropriately.
- On professional claims (837P and CMS-1500), the NPI/PIN combination should identify the billing, pay-to, and rendering provider (the pay-to provider is identified only if it is different from the billing provider). This includes claims that are submitted

by corporations that physicians and non-physician practitioners have formed or by physicians and non-physician practitioners who bill Medicare directly. For more information, please refer to MLN Matters article SE0744 at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0744.pdf> on the CMS website.

Other problems identified include:

- Providers are not taking proactive action based on the Part B informational edits and reject reports, despite extensive outreach and educational activities designed to make providers aware of the need to take action. Don't let this happen to you. Pay attention to the informational edits prior to October 30 and the reject messages thereafter.
- CMS has received reports of clearinghouses and billing services that may be stripping the NPI from the claim and later adding the NPI back on the remittance advice. Make sure this is not unknowingly happening to your claims. If you suspect that your clearinghouse or billing service is stripping your NPI from claims, please contact your contractor to confirm that an NPI was not received.

Clarification: NPI Requirement on Medicare Institutional Claims for 1/1/08

At the beginning of October, CMS issued a notice that referred to institutional claims. We (CMS) are further clarifying that effective 1/1/08, NPIs will be required to identify the primary providers (the billing and pay-to providers) in Medicare electronic and paper institutional claims (i.e., 837I and UB-04 claims). You may continue to use the legacy identifier in these fields as long as you also use the NPI in these fields. This means that 837I and UB-04 claims with ONLY legacy identifiers in the billing and pay-to provider fields will be rejected starting on 1/1/08. (Pay-to provider is identified only if it is different from the billing provider.)

You may continue to use only legacy identifiers for the secondary provider fields in the 837I and UB-04 claims, until 5/23/08, if you choose.

Test Your Claims Now!

Medicare encourages submitters to send a small number of claims using NPIs only (no legacy identifiers). If no claims are rejected, the submitter may gradually increase the volume. And remember, Medicare will require the NPI on paper claims – be sure to begin the testing process now even if you bill paper!

Still Confused?

Not sure what an NPI is and how you can get it, share it and use it? As always, more information and education on the NPI can be found through the CMS NPI webpage www.cms.hhs.gov/NationalProvIdentStand on the CMS website. Providers can apply for an NPI online at <https://nppes.cms.hhs.gov> or can call the NPI enumerator to request a paper application at 1-800-465-3203. Having trouble viewing any of the URLs in this message? If so, try to cut and paste any URL in this message into your web browser to view the intended information.

Note: All current and past NPI communications issued by CMS are available by clicking “CMS Communications” in the left column of the www.cms.hhs.gov/NationalProvIdentStand website.

Getting an NPI is free - not having one can be costly.