

Date: 01/16/07

Web Announcement 125

NPI Reminders from CMS

The Centers for Medicare & Medicaid Services (CMS) has issued the following announcements regarding the National Provider Identifier (NPI).

NPI: Get It. Share It. Use It.

Less than five months remain until the NPI compliance date – are you ready to use your NPI? A recent survey of the health care industry, conducted by the Workgroup for Electronic Data Interchange (WEDI), indicates that providers should be moving from the enumeration stage into the implementation stage to ensure NPI readiness by the compliance date. Remember, it is estimated that it may take up to 120 days to complete the work needed in order to implement the NPI into your current business practices. The following steps will assist you in your preparation:

- **Enumerate:** Have you applied for your NPI(s)? Not only should individual providers (Type 1) have enumerated, but organizations and subparts (Type 2) should have enumerated also.
- **Update:** Have you received your software application updates, upgrades and/or changes relevant to NPI? Be sure that the updates not only address the HIPAA transactions, but include the CMS-1500, UB-04 and/or Dental claim form changes.
- **Communicate:** Have you communicated your NPI(s) to your health plans and other organizations you work with? Keep in mind, as outlined in current regulation, all covered providers must share their NPI with other providers, health plans, clearinghouses, and any entity that may need it for billing purposes – including designation of ordering or referring physician.
- **Collaborate:** Do you know the readiness of your trading partners (such as health plans, third party administrators, clearinghouses, etc.)? It's important to work with your trading partners to know their readiness with NPI and how it impacts you.
- **Test:** Have you started testing the NPI, both internally and externally? Not only do you need to test the HIPAA Transactions such as 837 Claims, but if you process 835 Remittance Advice, be sure to test that your system can process the NPI appropriately. Also, if you submit paper claims, be sure that you've tested the data being printed in the correct fields.
- **Educate:** Have you educated your staff on what the NPI is and the use of it? It's important that staff who may be using the NPI in day-to-day work, such as verification of eligibility or other tasks that may need the NPI, be aware of the NPI and the provider identifiers that it replaces. The staff may have to change policies and procedures.
- **Implement:** Have you implemented the NPI into your business practices? Once testing is complete, changes will go into production. Prior to doing this, you'll need to make sure your trading partners are ready to process with the NPI only.

Given all the steps above, will you be ready by May 23, 2007?

Enumeration Advice for Incorporated Individual Providers

Health care providers who are individuals are eligible for an Entity Type 1 (Individual) NPI. If these individuals incorporate themselves (i.e., if they form corporations) and the corporations are health care providers, the corporations are organization providers that are eligible for an Entity Type 2 (Organization) NPI. If either of these health care providers (the individual or the corporation) are covered providers (i.e. providers that send electronic transactions) under HIPAA, the NPI Final Rule requires them to obtain NPIs.

Supply Legacy Identifiers on NPI Application

CMS continues to urge providers to include legacy identifiers on their NPI applications. This will help all health plans, including Medicare, to get ready for May 23, 2007. If reporting a Medicaid legacy number, include the associated State name. If providers have already been assigned NPIs, CMS asks them to consider going back into the National Plan and Provider Enumeration System (NPPES) and updating their information with their legacy identifiers if they did not include those identifiers when they applied for NPIs. This information is critical for health plans and health care clearinghouses in the development of crosswalks to aid in the transition to the NPI.

Common Testing Error Identified on Electronic Claim Submissions

Given recent testing experience, one common testing error found is that claims submitters check that they are submitting an NPI in the 2010AA Billing Provider REF02 segment instead of NM109. The REF segment is situational, but required if it is necessary to report a secondary ID, such as a legacy identifier and a taxpayer identification number. NM109 is where the NPI is to be submitted, but the claim submitter incorrectly submits a legacy identifier instead. Remember to make sure you correctly designate the type of identifier you are submitting to aid in crosswalk development during this testing phase.

NPI Enumerator

Providers should remember that the NPI Enumerator can only answer/address the following types of questions/issues:

- Status of an application.
- Forgotten/lost NPI.
- Lost NPI notification letter (for providers who enumerated via paper or web-based applications).
- Trouble accessing NPPES.
- Forgotten password/User ID.
- Need to request a paper application.
- Need clarification on information that is to be supplied in the NPI application.

Providers needing this type of assistance may contact the enumerator at 1-800-465-3203, TTY 1-800-692-2326, or email the request to the NPI Enumerator at CustomerService@NPIenumerator.com.

Please Note: The NPI Enumerator's operation is closed on federal holidays. The federal holidays observed are: New Year's Day, Martin Luther King Jr. Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving and Christmas Day.

Important Information for Medicare Providers

Requirement of Taxonomy Codes on Institutional Provider Claims:

Effective Jan. 1, 2007, institutional Medicare providers who submit claims for their primary facility and its subparts (such as psychiatric unit, rehabilitation unit, etc.) must report a **taxonomy code** on all claims submitted to their fiscal intermediaries. Taxonomy codes shall be reported by these facilities whether or not the facility has applied for NPIs for each of their subparts. Institutional providers that do not currently bill Medicare for subparts are not required to use taxonomy codes on their claims to Medicare.

A recent *MLN Matters* article discusses this requirement in more detail and may be viewed at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5243.pdf> on the CMS website.

Reminder to Submit Claims with Your NPI and Your Legacy Number:

From Oct. 1, 2006, through May 22, 2007, or until further notice, **CMS recommends that Medicare providers submit claims using both the provider's NPI and legacy number or just the provider's legacy number.**

If claims are submitted with only an NPI: Claims for which Medicare systems are unable to properly match the incoming NPI with a legacy number may be rejected/returned as "not able to be processed" to the provider. The provider will then need to resubmit the claim with the appropriate legacy number.

Reminder of DME Supplier Enumeration Requirement:

As mentioned in the paper entitled, "Medicare Expectations on Determination of Subparts by Medicare Organization Health Care Providers Who Are Covered Entities Under HIPAA," **Medicare DME suppliers are required to obtain an NPI for every location.** The only exception to this requirement is the situation in which a Medicare DME supplier is a sole proprietor. A sole proprietor is eligible for only one NPI (the individual's NPI) regardless of the number of locations the supplier may have.

Communicating NPIs to Medicare:

Medicare providers should know that there is no "special process" or need to call to communicate NPIs to the Medicare program. NPIs can be shared with the Medicare program by using them on your claims along with your legacy identifier. Secondly, for providers applying for Medicare enrollment, an NPI must be reported on the CMS-855 enrollment application (along with a photocopy of the NPI notification received by the provider from the NPPES or from an Electronic File Interchange Organization (EFIO)). Existing Medicare providers must provide their NPIs when making any changes to their Medicare enrollment information.

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 at the CMS NPI page 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.

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