



Related MLN Matters Article #: SE0679 *Revised*

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Medicare Fee for Service (FFS) Implementation of the National Provider Identifier (NPI)

Key Words

SE0679, FFS, NPI

Provider Types Affected

All FFS providers who bill Medicare

MLN Matters article SE0679 was revised to add a reference to MLN Matters MM5890 (<http://www.cms.hhs.gov/MLNMattersArticles/downloads/mm5890.pdf>). MM5890 stated that effective with claims received on or after May 23, 2008, Medicare will not pay for referred or ordered services or items, unless the fields for the name and NPI of the ordering, referring and attending, operating, other, or service facility providers are completed on the claims.

Key Points

- The Centers for Medicare & Medicaid Services (CMS) published SE0679 to remind providers that on May 23, 2007, the NPI will replace health care provider identifiers that are in use today in Health Insurance Portability & Accountability Act of 1996 (HIPAA) standard transactions (See reference to **MLN Matters article MM5595** below).
- Health care providers should remember that getting an NPI is free and easy, but time is running out!
- It is estimated that, once a provider obtains an NPI, it may take up to 120 days to implement the NPI in current business practices.
- The following key points will assist Medicare providers as they transition from the application stage to the implementation stage to ensure NPI readiness.

Applying for an NPI

- Providers may visit the official CMS source for NPI-related information, including how to apply for an NPI, as well as free educational products, at <http://www.cms.hhs.gov/NationalProviderStand/> on the CMS website.

Medicare Legacy Numbers

- After the compliance date, Medicare providers must begin submitting their NPIs instead of their Medicare legacy identifiers on claims they send to Medicare.
- A provider's Taxpayer Identification Number, which is the provider's Social Security Number or Employer Identification Number, will continue to be used when a provider needs to be identified as a taxpayer in HIPAA standard transactions.
- The Implementation Guides for each of the standard transactions indicate when it is necessary to identify a provider as a taxpayer. A related MLN Matters article, MM4023, may be viewed at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4023.pdf> on the CMS website.

Electronic File Interchange (EFI)

- Health industry organizations that are approved by CMS as Electronic File Interchange Organizations (EFIOs) can submit NPI application data for health care providers, including Medicare providers, in electronic files to the National Plan and Provider Enumeration System (NPPES) after obtaining the permission of the health care providers to do so.
- This process is called Electronic File Interchange (EFI).
- For health care providers who are approached by EFIOs, EFI is an alternative to having to apply for their NPIs via the web-based or paper application process.
- Providers, who are enumerated via EFI, receive their NPI notifications from the EFIO that had them enumerated. These notifications are not generated from NPPES.

Designation of Subparts

- CMS reminds Medicare providers to visit Medicare's Subparts Expectation Paper (entitled, "Medicare Expectations on Determination of Subparts by Medicare Organization Health Care Providers Who Are Covered Entities Under HIPAA," and located at <http://www.cms.hhs.gov/NationalProvidentStand/Downloads/Medsubparts01252006.pdf> on the CMS NPI web page) for suggestions on how to determine their subparts.
- Providers should remember that no health plan, not even Medicare, can instruct a provider on how to enumerate subparts. This is a business decision that the organizational provider must make considering its unique business operations.

Durable Medical Equipment (DME) 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" (see link in preceding paragraph), 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 DME supplier may have.

Submitting an NPI on Medicare Electronic Claims

- Until further notice, CMS recommends that Medicare providers submit claims using both the NPI and legacy number.
- Claims submitted with only an NPI may be rejected/returned as unprocessable if Medicare systems are unable to properly match the incoming NPI with a legacy number. The provider will then need to resubmit the claim with the appropriate legacy number. A related MLN Matters article, MM5378, may be viewed at <http://www.cms.hhs.gov/mlnmattersarticles/downloads/mm5378.pdf> on the CMS website.

Required Use of the NPI on Medicare Paper Claims

- Medicare, as a health plan, will require the use of the NPI on its paper claims.
- The paper claim forms used by Medicare have been revised to accommodate use of the NPI.
- There will be transition periods for each of the revised forms. While the NPI cannot be used on the current paper claim forms, providers may begin using the NPI on the revised forms once the transition period for each form begins.
 - The MLN Matters article related to the transition from UB-92 to UB 04 can be viewed at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5072.pdf> on the CMS website.
 - The MLN Matters article related to the transition from CMS 1500 (12/90) to CMS 1500 (08/05) can be viewed at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5060.pdf> on the CMS website.

Required Use of Taxonomy Codes on Institutional Provider Claims

- Effective January 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 FI.
- 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 services performed by their subparts are not required to use taxonomy codes on their claims to Medicare.
- MLN Matters article MM5243 discusses this requirement in more detail and may be viewed at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5243.pdf> on the CMS website.

National Council of Prescription Drug Plans (NCPDP) Claims

- The NCPDP format was designed to permit a prescription drug claim to be submitted with either an NPI or a legacy identifier, but no more than one identifier may be reported for a provider (retail pharmacy or prescribing physician) per claim.
- From October 1, 2006, through May 22, 2007, retail pharmacies will be allowed to report their NPI, and/or the NPI of the prescribing physician (if they have this information). Providers may want to refer to MLN Matters article MM4023 at the link provided in the Important Links Section below.

Medicare Remittance Advice Print Software

- The 835-PC-Print and Medicare Remit Easy Print software were modified to enable either the NPI or a Medicare legacy number, or both, if included in the 835. Providers may want to refer to MLN Matters article MM4023 at the link provided in the Important Links Section below.
- **Communicating an NPI to Medicare**
- Medicare providers should know that there is no “special process” or any need to call to communicate NPIs to the Medicare program.
- NPIs can be shared with the Medicare program by using them on the provider’s claims along with their 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 EFIO).
- Existing Medicare providers must provide their NPIs when making any changes to their Medicare provider enrollment information

Sharing NPIs

- Once providers have received their NPIs, they should share their NPIs with other providers with whom they do business and with health plans that request their NPIs.
- As outlined in current regulation, all providers, including Medicare providers that are HIPAA-covered providers, **must** share their NPI with other providers, health plans, clearinghouses, and any entity that may need those NPIs for use in standard transactions, including the need to identify an ordering or a referring physician.
- Providers should also consider letting health plans, or institutions for whom they work, share their NPIs for them.

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0679.pdf> on the CMS website.

For some period after May 23, 2007, Medicare FFS will allow continued use of legacy numbers on transactions; accept transactions with only NPIs, and accept transactions with both legacy numbers and NPIs. For details of this contingency plan, see the MLN Matters article, MM5595, at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5595.pdf> on the CMS website.

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