



Related MLN Matters Article #: MM4320

Date Posted: February 23, 2006

Related CR #: 4320

Stage 1 Use and Editing of National Provider Identifier (NPI) Numbers Received in Electronic Data Interchange Transactions, via Direct Data Entry Screens, or Paper Claim Forms

Key Words

MM4320, CR4320, R204OTN, MM5229, CR5229, MM4023, CR4023, SE0555, Identifier, NPI, Legacy, WEDI, COB, 401A, NCPDP

Provider Types Affected

Physicians, providers, and suppliers who submit claims to Medicare Carriers, including Durable Medical Equipment Medicare Administrative Contractors (DME MACs), Fiscal Intermediaries (FIs), and Regional Home Health Intermediaries (RHHIs)

Key Points

Important Note: Medicare fee-for-service (FFS) has instituted a contingency plan for NPI implementation that delays the requirement for the NPI beyond May 23, 2007. For details regarding this delay, please see MLN Matters article MM5595 at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5595.pdf> on the CMS website.

- The effective date of the instruction is January 1, 2006.
- The implementation date is January 3, 2006.
- The Health Insurance Portability and Accountability Act (HIPAA) of 1996 requires issuance of a unique NPI to each physician, supplier, and other provider of health care (45 Code of Regulations Part 162, Subpart D (162.402-162.414)).
- To comply with this requirement, the Centers for Medicare & Medicaid Services (CMS) began accepting applications for and issuing NPIs on May 23, 2005. (See **Important Note** above.)
- Applications can be made by mail, and online at <https://nppes.cms.hhs.gov> on the CMS website.
- CMS has endorsed the Workgroup for Electronic Data Interchange Dual NPI-Legacy Identifier strategy for cross-health care industry implementation of the NPI.
- MLN Matters article MM4320 describes current plans for a staged process leading to full implementation of the adoption of the NPI in Medicare transactions involving providers.

Stage 1: January 1, 2006 – October 1, 2006

- The NPI will be accepted on inbound claims, other than the National Council of Prescription Drug Plan (NCPDP) claims, and other transactions, but will not be used for Medicare processing.
- Change Request (CR) 4320 focuses primarily on Stage 1 of the NPI implementation process.
- The “Legacy Identifier” (pre-NPI provider identifiers) will be used to identify providers while Medicare Carriers, DME MACs, and FIs make sure that X12 837 Version 4010A1 claims and other X12 HIPAA adopted transactions are not rejected due to the presence of an NPI.
- The following transactions will be rejected if submitted with NPIs, since it is not possible to report both NPI and legacy identifiers for providers in these transactions:
 - NCPDP claims;
 - Direct Data Entry (DDE) claims, claim status, and eligibility inquiries;
 - UB-92 (CMS-1450) paper claims; and
 - CMS-1500 paper claims.
- Transactions may be submitted with or without an NPI during stage 1, as long as the Medicare legacy identifier is still reported.

Stage 2: October 2, 2006 – May 22, 2007

- Providers, clearinghouses, and billing services will be directed to provide a Medicare legacy identifier as a secondary identifier when NPIs are submitted as the primary provider identifiers in their X12 837 claims.
- The legacy identifier alone can still be used to identify those providers that have not yet obtained an NPI.
- DDE screens will be modified for this stage to accept and return both NPIs, when available, and legacy identifiers.

Stage 3: May 23, 2007 and Later (See Important Note above.)

- Stage 3 involves the transition to full use of the NPI for acceptance and processing of transactions, except for coordination of benefits (COB) claims that Medicare sends to small trading partners.
- HIPAA prohibits the reporting of any provider legacy identifiers to other than small health plans during this period (e.g., plans with less than \$5 million in annual receipts).
- All claims, including NCPDP claims, and 270, 276, and 277 attachment transactions sent to Medicare, must contain the NPI in lieu of the legacy identifier (See Stage 4 below regarding claims.).
- Legacy identifiers will no longer be sent to COB trading partners or on outbound electronic or paper Medicare transactions or correspondence.

Stage 4: May 23, 2007 – May 22, 2008 (See Important Note above.)

- Stage 4 involves completion of transition to the full use of NPI by all small trading partners.
- NPIs, rather than legacy identifiers, will be reported in all 837 Version 4010A COB and NCPDP claims sent to small trading partners.

Important Links

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4320.pdf> on the CMS website.

The official instruction issued (CR4320) regarding this change may be found by going to <http://www.cms.hhs.gov/Transmittals/downloads/R204OTN.pdf> on the CMS website.

The *Dual Use of NPI & Legacy Identifiers* paper is available at <http://www.wedi.org/snip/public/articles/index.cfm?fuseaction=viewArticle&ID=483> on the Internet.

Providers may want to review CR5229, which revised Attachment 1 to CR4320. CR5229 may be found at <http://www.cms.hhs.gov/Transmittals/downloads/R234OTN.pdf> on the CMS website. The related MLN Matters article (MM5229) may be viewed at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5229.pdf> on the CMS website.

Providers may also want to review MM4023 ("Stage 2 Requirements for Use and Editing of National Provider Identifier (NPI) Numbers Received in Electronic Data Interchange Transactions, via Direct Data Entry Screens or Paper Claim Forms"), which is located at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4023.pdf> on the CMS website.

Providers may refer to their local FI/RHHI or carrier/DME MAC if they have questions about this issue. To find their toll-free phone number, they should go to <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.