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*National Council for Prescription Drug Programs (NCPDP) Inbound Claim and Coordination of Benefit (COB) Companion Documents Updated for National Provider Identifier (NPI) Reporting*

### Key Words

MM5716, CR5716, R2990TN, NCPDP, COB, NPI

### Provider Types Affected

Suppliers who bill Medicare Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for providing Medicare Part B drugs to Medicare beneficiaries

### Key Points

- The effective date of the instruction is April 1, 2008.
- The implementation date is April 7, 2008.
- The Health Insurance Portability and Accountability Act of 1996 (HIPAA) adopted the NCPDP Telecommunication Standard 5.1 and NCPDP Batch Standard 1.1 as the national standard for submitting retail drug claims.
- Medicare DME MACs are responsible for processing all retail drug claims for those limited prescription drugs covered under Medicare Part B. This national standard applies to both claims sent inbound to DME MACs as well as those sent outbound by the DME MACs to COB trading partners.
- HIPAA also mandated that covered entities use NPIs as the sole means to identify providers who prepare electronic data interchange transactions. However, NCPDP standards were not designed to enable a health care provider to report more than one identifier during this transition period.
- In NCPDP claims, providers can report either a provider's legacy number, such as National Supplier Clearinghouse identification numbers used for retail pharmacy identification and the Unique Physician Identification Numbers used to identify prescribers of retail drugs, or the NPI, but not both.

- When the Original Medicare fee-for-service NCPDP inbound claim and COB companion documents (which provide Medicare-specific information related to the use of the relevant HIPAA standards) were issued, they did not address use of NPIs.
- Change Request (CR) 5716 announces that an updated version of those companion documents, that does include NPI reporting, is now available to be downloaded under the titles of, “NCPDP 5.1/1.1 Inbound NPI Companion Document” and “NCPDP 5.1/1.1 COB NPI Companion Document” at [http://www.cms.hhs.gov/ElectronicBillingEDITrans/08\\_HealthCareClaims.asp#TopOfPage](http://www.cms.hhs.gov/ElectronicBillingEDITrans/08_HealthCareClaims.asp#TopOfPage) on the CMS website.
- Providers should be aware that for retail drug claims prior to May 23, 2008 (the date when the NPI is to be used exclusively to identify providers on NCPDP claims), the *NCPDP Implementation Guide* calls for the use of qualifiers to indicate the type of provider identifier being reported.
- On NCPDP claims that providers submit prior to May 23, 2008, providers can choose to use either legacy numbers or NPIs for provider identification.
  - If providers choose to use legacy numbers, the pre-NPI companion document (not containing “NPI” in the title) applies.
  - If providers choose to use NPIs, the new companion documents (containing “NPI” in the titles) apply.
  - If providers use a legacy identifier for the retail pharmacy and an NPI for the prescriber (or vice versa), the non-NPI companion document will apply for reporting the legacy identifier, and the NPI companion document will apply for reporting the NPI.
- There are some specific details related to the completion of NCPDP claims that will be of interest to providers:
  - Effective for claims received by Medicare on or after May 23, 2008, the provider’s inbound claims will be returned if they do not contain an 01 (NPI) qualifier in Transaction Header segments 202-B2 (retail pharmacy identification) and/or 466-EZ (prescriber identification) and (if included in a claim) 468-2E (primary care provider identification) and 465-EY (pharmacy identification).
  - If an inbound claim contains a reported NPI in a provider identification number field (210-B1, 411-DB, 421-DL, or 449-E9), but one or more of those numbers do not meet the NPI validity criteria (i.e., does not begin with a 1, 2, 3, or 4; does not have 10-digits; includes any special characters; or does not have a valid check digit in the 10<sup>th</sup> position), the claim will reject.
  - Medicare systems will not check the Medicare NPI Crosswalk to try to locate an NPI for any provider identification fields (qualifier and provider identification number fields) for any provider for which information is included in a claim in fields which are not used for Medicare claim processing (e.g., fields 468-2E and 421-DL or 465-EY and 449-E9). The editing for such provider qualifiers and identification numbers in the fields not used by Medicare will be limited to NPI validity edits.
  - Medicare legacy numbers will not be reported on the outbound COB transaction. However, an exception is permitted for those claims that have not cleared the system by the date CMS ends its’ NPI contingency. Those “pending” claims may contain a legacy number, so the COB will also include the legacy number.

## Important Links

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5716.pdf> on the CMS website.

Providers can find the official instruction (CR5716) issued regarding this change at <http://www.cms.hhs.gov/Transmittals/downloads/R299OTN.pdf> on the CMS website. The two updated companion documents: "NCPDP 5.1/1.1 Inbound NPI Companion Document" and "NCPDP 5.1/1.1 COB NPI Companion Document" are attached to that CR.

If providers have any questions, they may contact their DME MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.