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### *Important National Provider Identifier (NPI) and Enrollment Information for Physicians and Non-Physicians*

#### Key Words

SE0744, NPI, Enrollment, Physician, Non-Physicians, Practitioners

#### Provider Types Affected

Physicians and other practitioners who submit Medicare fee-for-service (FFS) claims to Medicare carriers or Part A/B Medicare Administrative Contractors (A/B MACs)

#### Key Points

- By October 31, 2007, all Medicare carriers (and A/B MACs that service providers who formerly billed carriers) will be rejecting Part B claims if they are unable to “match” an NPI and a Provider Identification Number (PIN) combination submitted on a claim to an NPI/PIN combination in the Medicare NPI crosswalk.
- The NPI/PIN combination may be used to identify the billing provider, pay-to-provider, or rendering provider. The pay-to provider is identified only if it is different from the billing provider.
- This applies to 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.
- Special Edition article SE0744 refers to these physicians and non-physician practitioners as “physicians/practitioners.”

#### **Past Medicare Enrollment Practices May Have Contributed to the Use of Incompatible NPI/PIN Combinations**

- One reason a claim will reject is if the NPI and PIN used in combination on the claim does not identify the same entity.
  - For example, the NPI in the “Billing Provider” field might be the corporation’s NPI, but the PIN used in combination with it might be the physician’s /practitioner’s PIN. This pairing may be the result of variations in past Medicare enrollment and PIN assignment procedures.
  - For example, Medicare carriers may have combined the enrollment of a physician/practitioner and his/her corporation into a single enrollment; or, a sole proprietorship may have been enrolled as a

corporation because the sole proprietorship was issued an Employer Identification Number (EIN) by the Internal Revenue Service (IRS).

- These and similar situations may require the physicians/practitioners who are experiencing claims rejections to ensure their Medicare enrollment information, and that of their corporations (if they are incorporated), is correct. This may require the completion of the appropriate CMS-855 Medicare Provider Enrollment Application.

### Physicians/Practitioners Who Are Incorporated

- Corporations include professional corporations, most limited liability companies, professional associations, and partnerships. Generally, the corporations that physicians/practitioners form are referred to as groups or group practices.
- Corporations are not sole proprietorships. When physicians/practitioners are billing Medicare through their corporation, both physicians/practitioners and their corporation must enroll in Medicare.
- Physicians/practitioners who have established a corporation must obtain an NPI for themselves and an NPI for their corporation. A corporation applies for an NPI as an Entity type 2 (Organization) and physicians/practitioners apply for an NPI as an Entity type 1 (Individual).
- If physicians/practitioners or their corporation is not enrolled in Medicare, and they use the NPI of the non-enrolled entity in combination with the PIN of the enrolled entity (or vice versa), they will encounter claims problems because the combination is incompatible and will not be found in the Medicare NPI crosswalk.
- If the corporation will be billing Medicare, it may use:
  - Only its NPI (once it has one);
  - Only its PIN (once it has one); or
  - Its NPI/PIN in combination (once it has both) to identify itself as the **billing/pay-to provider**.
- The physician's/practitioner's NPI (once they have one), physician's/practitioner's PIN (once they have one), or physician's/practitioner's NPI/PIN combination (once they have both) would be used to identify the physician/practitioner as the **rendering provider**.
- Until the enrollment application of the non-enrolled entity can be processed, physicians/practitioners may want to use only the PIN or only the NPI of the enrolled entity to avoid claims processing problems.

### Physicians/Practitioners Who Have Sole Proprietorships

- A sole proprietorship is a business whereby all of the business's assets and liabilities are tied directly to the physician's/practitioner's (the sole proprietor's) Social Security account. The sole proprietor and the sole proprietorship are considered a single legal entity (an individual).
- The sole proprietor's Social Security Number (SSN) serves as the Taxpayer Identification Number (TIN) of the sole proprietorship.
- Often, the IRS issues an EIN to a sole proprietorship to protect the sole proprietor's SSN from being disclosed on W-2s and in transactions, such as claims sent to health plans.

- Therefore, at the option of the sole proprietor, the EIN (if issued) instead of the SSN could be used as the TIN in submitting a sole proprietorship's Medicare claims. The IRS links that EIN to the sole proprietor's SSN for tax reporting purposes. The physician's/practitioner's sole proprietorship must be enrolled in Medicare.
- Physicians/practitioners who have a sole proprietorship must obtain an NPI for themselves as an Entity type 1 (Individual).
- There is no separate NPI for the sole proprietorship.
- When the physician's/practitioner's sole proprietorship is billing Medicare, the physician/practitioner may use:
  - Only their NPI (once they have one);
  - Only their physician/practitioner PIN (once they have one); or
  - Their physician/practitioner NPI and PIN in combination (once they have both) to identify them as the billing/pay-to provider and as the rendering provider.

#### **Physicians/Practitioners Who Have No Private Practice**

- Physicians/practitioners must be enrolled in Medicare in order for the services they render to Medicare beneficiaries to be reimbursed by the Medicare program.
- If physicians/practitioners do not have a sole proprietorship and have not formed a corporation, they do not bill Medicare directly. Instead, they reassign their benefits to another entity, usually a group or group practice, and the group or group practice bills Medicare for the services that they perform.
- That group or group practice must also be enrolled in Medicare, but physicians/practitioners are not responsible for the enrollment of the group or group practice. The group or group practice would submit claims in which they would be identified as a rendering provider.
- Physicians/practitioners must obtain an NPI for themselves as an Entity type 1 (Individual).
- The group would be responsible for ensuring that they are appropriately identified in the group's claims.
- That is, the group would ensure that:
  - Their physician/practitioner NPI (once they have one) is used with the compatible PIN (physician's/practitioner's PIN, once they have one) if using the NPI/PIN combination; or
  - The group may use only their physicians/practitioners NPI (once they have one); or
  - Only their physicians/practitioners PIN (once they have one) to identify them as the rendering provider.
- The group must have its own NPI and would use:
  - Only the NPI (the group's NPI, once it has one);
  - Only the PIN (the group's PIN, once it has one); or
  - The NPI (the group's NPI, once it has one) with the compatible PIN (the group's PIN, once it has one) in combination to identify itself as the billing pay-to provider.

## New Product to Assist Physicians/Practitioners in Understanding Medicare Enrollment

- All physicians/practitioners, including sole proprietors and incorporated physicians/practitioners, applying for enrollment in Medicare must have the appropriate NPI(s) and must report those NPIs on the CMS-855 Medicare Provider Enrollment Application.
- Physicians/practitioners must also report the NPI(s) of the corporations, sole proprietorships, groups, or group practices to which they will be reassigning their benefits.

## Physicians/practitioners Actions for Rejected Claims

- Check Medicare reject report messages.
- If using billing companies, clearinghouses, and administrative staff, check to find out if they have been contacted by Medicare carriers or A/B MACs concerning problems in matching NPI/PIN combinations to the Medicare NPI crosswalk.
- Check their information (and that of their corporation, if they formed one) in the National Plan and Provider Enumeration System (NPPES) to ensure that the NPI(s) were properly obtained.
  - For example, if they are have a sole proprietorship, they should have an individual PIN and they should have obtained an NPI as an individual (Entity type 1), not as an Organization (Entity type 2).
- Ensure that the NPPES data (for them and their corporation, if they formed one) are correct, and that the NPPES record(s) contains the Medicare legacy identifier(s) that was assigned to the provider (physician/practitioner or the corporation) to whom the NPPES record belongs.
  - For example, a physician/practitioner applying for an NPI would list his/her Medicare PIN in the "Other Provider Identifiers" section of the NPI application, but would not list the PIN of the group in which he/she is a member. Medicare uses this information in building the Medicare NPI crosswalk and incorrect reporting will flow into the NPI crosswalk and cause problems down the road. To view or edit their NPPES record, they may go to <https://nppes.cms.hhs.gov> on the CMS website. For assistance, they may call the NPI Enumerator at 1-800-465-3203.
- If the NPI(s) was properly obtained and the NPPES information is correct and physician/practitioner continue to get informational NPI edits they should:
  - Ensure that their (and their corporation's, if they formed one) Medicare enrollment information is up to date.
  - Ensure that a complete application is submitted (CMS-855I and, if appropriate, CMS-855R) if the carrier or A/B MAC asks that they or their corporation re-enroll or update the enrollment information.
  - List their NPI and the NPI of the corporation (group practice) to which benefits will be reassigned (if applicable) in the appropriate places on the CMS-855I and, if the CMS-855R is necessary, on the CMS-855R.
  - List the NPI and the PIN of the corporation (group practice) in the appropriate places on the CMS-855I and, if the CMS-855R is necessary, on the CMS-855R (if PINs have been assigned). The Medicare document referenced earlier will assist physician/practitioner in doing this.
  - Make sure that the Medicare enrollment record reflects the correct TIN for use by Medicare in reporting their income to the IRS on the 1099 form.

- For example, an incorporated physician/practitioner, Medicare payments need to be associated with their corporation's TIN and not their SSN. If the enrollment record does not reflect this, a CMS-855I must be completed in order to update it.

### Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0744.pdf> on the CMS website.

Further information on enrollment scenarios is available at

<http://www.cms.hhs.gov/Medicareprovidersupenroll/Downloads/EnrollmentNPI.pdf> on the CMS website.

General Medicare enrollment information can be found at

<http://www.cms.hhs.gov/MedicareProviderSupEnroll> on the CMS website.