

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



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MLN Matters® Number: MM8806 **Revised**

Related Change Request (CR) #: CR 8806

Related CR Release Date: November 3, 2014

Effective Date: April 1, 2015

Related CR Transmittal #: R3103CP

Implementation Date: Claims with a receipt date on or after April 1, 2015

Reporting the Service Location National Provider Identifier (NPI) on Anti-Markup and Reference Laboratory Claims

Note: This article was revised on November 6, 2014, to reflect the revised CR8806 issued on November 3. The CR was revised to change the effective and implementation dates. Also, in the article, the CR release date, transmittal number, and the Web address for accessing the article are revised. All other information remains the same.

Provider Types Affected

This MLN Matters® Article is intended for physicians and suppliers submitting claims to Medicare Administrative Contractors (MACs) for services to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 8806, which provides guidance for physicians and suppliers billing anti-markup and reference laboratory claims. Effective for anti-markup and reference laboratory claims submitted with a receipt date on and after April 1, 2015, billing physicians and suppliers are required to report the name, address, ZIP code, and the National Provider Identifier (NPI) of the performing physician or supplier when the

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performing physician or supplier is enrolled in a different contractor's jurisdiction. Make sure your billing staffs are aware of this update.

Background

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires that all covered health care entities follow the same standard for submitting and processing electronic claims transactions. According to the instructions for use of the American National Standards Institute (ANSI) X12 837 professional electronic claim transaction, suppliers must submit the NPI that matches the name and address of the servicing provider/supplier identified on the claim.

On anti-markup and reference laboratory claims, physicians and other suppliers are required to identify the supplier's name, address, and ZIP code in Item 32 of the CMS-1500 claim, or the corresponding loop and segment of the ANSI X12 837 professional electronic claim format. The NPI of the physician or supplier who actually performed the service is required in Item 32a of the CMS-1500 claim form or the corresponding loop and segment of the ANSI X12 837 professional electronic claim transaction.

However, prior to the implementation of the Provider Enrollment, Chain, and Ownership System (PECOS), MACs used systems that were specific to each MAC and did not allow MACs from one State to view provider enrollment information from another State. This systems limitation prevented MACs from being able to share information about existing providers/suppliers, and increased the potential for fraud. As a result, physicians and suppliers that were enrolled in another MAC's jurisdiction could not validate the NPI in Item 32a of the CMS-1500 claim form or on the ANSI X12 837 professional electronic claim format, because the function was not available in PECOS.

Since the NPI of the physician/supplier that actually performed the test may not be available to the billing physician or supplier, the "Medicare Claims Processing Manual" currently instructs physicians and suppliers to submit their own NPI with the name and address of the actual performing physician or supplier in Item 32a (and its electronic equivalent) when billing for reference laboratory services, or services subject anti-markup, when the performing physician or supplier is enrolled in another contractor's jurisdiction.

Effective April 1, 2015, changes to PECOS will allow MACs the ability to verify all physician and supplier NPIs, regardless of the jurisdiction in which they are enrolled. **Therefore, beginning with claims received on or after April 1, 2015, physicians and suppliers billing anti-markup and reference laboratory claims must report the NPI of the physician or supplier who actually performed the service in Item 32a of the CMS-1500 claim form or the corresponding loop and segment of the American National Standards Institute (ANSI) X12 837 professional electronic claim format. This new**

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requirement applies to all claims, including claims for services where the performing physician/supplier is out of the processing MAC's jurisdiction.

Anti-mark up claims will be identified by the presence of the "Yes" indicator in Item 20 of the CMS-1500 or its electronic equivalent. Reference laboratory claims will be identified by the presence of 90 on any service line.

MACs will return as unprocessable a claim:

- Where the NPI in Item 32a (or its electronic equivalent) does not belong to the entity whose name and address are identified in Item 32 (or its electronic equivalent)
- For a reference laboratory or anti-markup service that is performed outside the MAC's billing jurisdiction when submitted without the name, address, and ZIP code of the performing physician/supplier in Item 32, and the NPI of the performing physician/supplier in Item 32a of the CMS-1500 claim form, or on the ANSI X12 837 professional electronic claim format, in the appropriate loops/segments
- For a reference laboratory or anti-markup service performed outside the contractor's billing jurisdiction when the NPI in Item 32A (or its electronic equivalent) does not match the name and address of a valid servicing physician/supplier identified on the existing table in PECOS.

MACs use the following codes for claims returned as unprocessable:

- Claim Adjustment Reason Code (CARC) 16 - Claim/service lacks information which is needed for adjudication.
- For reference lab claims, Remittance Advice Remarks Code (RARC) N270 - Missing/incomplete/invalid other provider primary identifier.
- For anti-markup claims, RARC N283 - Missing/incomplete/invalid purchased service provider identifier.
- Group Code: Contractual Obligation (CO)

Additional Information

The official instruction, CR 8806, issued to your MAC regarding this change, is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3103CP.pdf> on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Net/work-MLN/MLNMattersArticles/index.html> under - How Does It Work.

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