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

Note: This article was updated on October 26, 2012, to reflect current Web addresses. This article was previously revised on October 29, 2007, to refer to CR5229, which revised Attachment 1 to CR4320. CR5229 may be found at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R234OTN.pdf> on the CMS website. A reference to MM4023 discussing Stage 2 requirements was also added in the Additional Information section. All other information remains the same.

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)

Provider Action Needed

The Health Insurance Portability and Accountability Act (HIPAA) of 1996 requires issuance of a unique national provider identifier (NPI) to each physician, supplier, and other provider of health care (45 CFR 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.

Applications can be made by mail, and online at

<https://nppes.cms.hhs.gov/NPPES/Welcome.do> on the CMS website.

CMS has endorsed the Workgroup for Electronic Data Interchange (WEDI) Dual NPI-Legacy Identifier strategy for cross-health care industry implementation of the NPI.

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The *Dual Use of NPI & Legacy Identifiers* paper is available at <http://www.wedi.org/snip/public/articles/>. (Once at the site, scroll down and look for the paper issued on 01/22/2006.)

The remainder of this article describes CMS' current plans for a staged process leading to full implementation of the adoption of the NPI in Medicare transactions involving providers.

Background

Implementation involves acceptance and processing of transactions that use the NPI in lieu of the previously used OSCAR, UPIN, PIN, and National Supplier Clearinghouse (NSC) numbers. The WEDI strategy provides for four stages during which system change schedules of trading partners will occur independently of each other.

Medicare fee-for-service (FFS) transaction implementation for NPI will occur in the following stages:

Stage 1 (January 1, 2006 – October 1, 2006)

During this stage, the NPI will be accepted on inbound claims, other than NCPDP claims, and other transactions but will not be used for Medicare processing. CR4320 focuses primarily on Stage 1 of the NPI implementation process. During stage 1:

- The "Legacy Identifier" (pre-NPI provider identifiers) will be used to identify providers while Medicare carriers, DME MACs, and intermediaries make sure that X12 837-version 4010A1 claims and other X12 HIPAA adopted transactions are not rejected due to the presence of an NPI.
- (Transactions may be submitted with or without an NPI during stage 1, as long as the Medicare legacy identifier is still reported.)
- Additionally, NPIs will be edited to verify that they meet basic structure requirements established for NPIs.
- Medicare will allow NPIs on the X12 270 version 4010A1 eligibility inquiry and the 276 claim status inquiry and return them in the respective X12 271 or 277 response, as long as the legacy identifier is also reported in the 270 or the 276.
- NPIs, as well as legacy identifiers, will be reported in coordination of benefit claims sent to trading partners when submitted on claims submitted to Medicare.
- NPIs will NOT be reported in the following outbound transactions during Stage 1, even if an NPI was submitted on related claims:

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- X12 835 claims; or
- SPRs (standard paper remittance) formats.
- Medicare carriers, DME MACs, and intermediaries must **reject the following transactions if submitted with NPIs**, since it is not possible to report both NPIs and legacy identifiers for providers in these transactions:
 - NCPDP claims;
 - DDE claims, claim status and eligibility inquiries;
 - **UB-92 (CMS-1450) paper claims** (the National Uniform Billing Committee [NUBC] announced that the use of the UB-04, which is able to report the NPI and a legacy identifier for each provider involved with a claim, will begin March 1, 2007, and that May 22, 2007, is the last day that a payer should accept a UB-92 form). Since it is not possible to report both a legacy identifier and an NPI on the UB-92, submitters of the UB-92 will be limited to reporting of their legacy identifier on those claims; and
 - **CMS-1500 paper claims** until the National Uniform Claim Committee implements a revised 1500 and CMS announces its implementation of that revised form.

The NUCC has approved a revised CMS-1500 form and has announced that payers should begin to accept the revised form effective October 1, 2006. Between October 1, 2006, and January 31, 2007, payers should accept either the current or the revised CMS-1500 form. Effective February 1, 2007, and later, payers should accept only the revised CMS-1500 form. Both the NPI and the legacy identifier can be reported on the revised CMS-1500 form, but not on the form currently in use. Until a provider begins to use the revised form, that provider will be limited to submission of legacy identifiers on the non-revised CMS-1500 form.

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

During this stage:

- 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.
- The transitional Dual NPI-Legacy Identifier strategy includes the development of a crosswalk between Medicare legacy numbers and their associated NPIs. The crosswalk should help Medicare validate most NPIs to ascertain that they were actually issued to the providers for which reported, and will help to

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identify transcription errors in a reported NPI. The Crosswalk will begin operating at the onset of stage 2.

- If you use free billing software supplied by your carrier, DME MAC, or intermediary/RHHI, it will be modified for stage 2 to permit reporting of your NPI, once received, and your legacy Medicare provider identifier. You will need to download the new version of the software when notified it is available.

The 835 PC-Print and Easy Print software for printing of remittances will also be updated for stage 2 to permit reporting of NPIs as well as legacy numbers when both are reported in an 835 transaction. Be sure to download the new version of that software when notified it is available.

- DDE screens will be modified for this stage to accept and return both NPIs, when available, and legacy identifiers.
- NPIs, when available in Medicare provider files, as well as legacy identifiers will be returned in 835 transactions and SPRs during stage 2.

Stage 3 (May 23, 2007 – and Later)

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 (please see Stage 4 below regarding claims). Those that do not are to be rejected.
- Legacy identifiers will no longer be sent to coordination of benefits (COB) trading partners or on outbound electronic or paper Medicare transactions or correspondence.

Stage 4 (May 23, 2007 – May 22, 2008)

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.

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Note: The Medicare FFS has announced a contingency plan regarding the May 23, 2007, implementation of the NPI. 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.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM5595.pdf> on the CMS website.

Additional Information

CR4320 is the official instruction issued to your FI, including RHHI, or carrier, including DME MAC, regarding changes mentioned in this article. CR4320 can be found at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2040TN.pdf> on the CMS website.

You may also want to review MLN Matters Special Edition SE0555, concerning the NPI. That article is available at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/SE0555.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.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM4023.pdf> on the CMS website.

Please refer to your local FI/RHHI or carrier/DME MAC if you have questions about this issue. To find their toll free phone number, go to <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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