



**News Flash** - *Understanding the Remittance Advice: A Guide for Medicare Providers, Physicians, Suppliers, and Billers* serves as a resource on how to read and understand a Remittance Advice (RA). Inside the guide, you will find useful information on topics such as the types of RAs, the purpose of the RA, and the types of codes that appear on the RA. To order your copy today, go to the Medicare Learning Network Product Ordering page at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/index.html> on the CMS website.

MLN Matters Number: SE0744

Related Change Request (CR) #: N/A

Related CR Release Date: N/A

Effective Date: N/A

Related CR Transmittal #: N/A

Implementation Date: N/A

**Note:** This article was updated on August 28, 2012, to reflect current Web addresses. All other information is the same.

## IMPORTANT NPI AND ENROLLMENT INFORMATION FOR PHYSICIANS AND NON-PHYSICIAN 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).

### Provider Action Needed



#### **STOP – Impact to You**

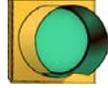
By October 31, 2007, a Medicare system, known as the National Provider Identifier (NPI) Crosswalk, will validate your claims if they contain a legacy number, such as a Medicare Provider Identification Number (PIN), and a NPI. If the NPI/PIN combination in your claim does not match an NPI/PIN combination in the NPI crosswalk, your claim will reject.

#### Disclaimer

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**CAUTION – What You Need to Know**

The Medicare NPI crosswalk contains legacy numbers, which you identified to the National Plan and Provider Enumeration System (NPPES) as part of the process in obtaining your NPI

**GO – What You Need to Do**

Be sure you supplied the correct information to the NPPES and be sure your billing staff submit the correct NPI/PIN number combination when both a legacy number and NPI are submitted on a claim. Your NPI must be compatible with the PIN you received upon Medicare enrollment

## Background

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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” a NPI and a 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, Pay-to, 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. In this article, we refer 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/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 IRS.

These and similar situations may require physician/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.

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***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 you are billing Medicare through your corporation, both you and your corporation must enroll in Medicare.

If you are a physician/practitioner who has established a corporation, you must obtain an NPI for yourself and an NPI for your corporation. A corporation applies for an NPI as an Entity type 2 (Organization) and you apply for an NPI as an Entity type 1 (Individual). If you, or your corporation, is not enrolled in Medicare, and you use the NPI of the non-enrolled entity in combination with the PIN of the enrolled entity (or vice versa), you 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. Your NPI (once you have one), your PIN (once you have one), or your NPI/PIN combination (once you have both) would be used to identify you – the physician/practitioner – as the Rendering Provider. Until the enrollment application of the non-enrolled entity can be processed, you 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/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 Internal Revenue Service (IRS) issues an Employer Identification Number (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. You/your sole proprietorship must be enrolled in Medicare

If you are a physician/practitioner who has a sole proprietorship, you must obtain an NPI for yourself as an Entity type 1 (Individual). There is no separate NPI for the sole proprietorship. When you/your sole proprietorship are billing Medicare, you may use only your NPI (once you have one), only your PIN (once you have one), or your NPI and PIN in combination (once you have both) to identify yourself as the Billing/Pay-to Provider and as the Rendering Provider.

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

You must be enrolled in Medicare in order for the services you render to Medicare beneficiaries to be reimbursed by the Medicare program. If you do not have a sole proprietorship and have not formed a corporation, you do not bill Medicare directly; instead, you reassign your benefits to another entity, usually a group or group practice, and the group or group practice bills Medicare for the services that you perform. That group or group practice must also be enrolled in Medicare, but you are not responsible for the enrollment of the group or group practice. The group or group practice would submit claims in which you would be identified as a Rendering Provider.

You must obtain an NPI for yourself as an Entity type 1 (Individual). The group would be responsible for ensuring that you are appropriately identified in the group's claims; that is, the group would ensure that your NPI (once you have one) is used with the compatible PIN (your PIN, once you have one) if using the NPI/PIN combination; or, the group may use only your NPI (once you have one) or only your PIN (once you have one) to identify you 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 physician/practitioners, including sole proprietors and incorporated physician/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. Physician/practitioners must also report the NPI(s) of the corporations, sole proprietorships, groups, or group practices to which they will be reassigning their benefits. Further information on enrollment scenarios is now available at <http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/downloads/EnrollmentNPI.pdf> on the CMS website. General Medicare enrollment information can be found at <http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/index.html> on the CMS website.

***If Your Claims Are Rejected***

- Check Medicare Reject Report messages.
- If you use 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.

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- Check your information (and that of your corporation, if you formed one) in the NPPES to ensure that the NPI(s) were properly obtained. For example, if you are have a sole proprietorship, you should have an individual PIN and you should have obtained an NPI as an Individual (Entity type 1), not as an Organization (Entity type 2).
- Ensure that the NPPES data (for you and your corporation, if you 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 your NPPES record, go to <https://nppes.cms.hhs.gov/NPPES/Welcome.do> on the CMS website. For assistance, call the NPI Enumerator at 1-800-465-3203.

If the NPI(s) was properly obtained and the NPPES information is correct and you continue to get informational NPI edits: Ensure that your (and your corporation's, if you formed one) Medicare enrollment information is up to date. If the carrier or A/B MAC asks that you or your corporation re-enroll or update the enrollment information, ensure that a *complete* application is submitted (CMS-855I and, if appropriate, CMS-855R). When completing the CMS-855I or CMS-855R, list your 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. Be sure to also 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 you in doing this. Also, make sure that the Medicare enrollment record reflects the correct Taxpayer Identification Number (TIN) for use by Medicare in reporting your income to the IRS on the 1099 form. For example, if you are an incorporated physician/practitioner, your Medicare payments need to be associated with your corporation's TIN and not your SSN. If the enrollment record does not reflect this, a CMS-855I must be completed in order to update it.

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