CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1133	**Date: DECEMBER 19, 2006**
	Change Request 5243

NOTE: Transmittal 1114, dated November 22, 2006 is rescinded and replaced by Transmittal 1133, dated December 19, 2006. Section A-Background and Section B-Policy of the Business Requirements were modified to make the intent more clear. Additionally, the manual instruction has been corrected to align with the modified information in the Business Requirements. All other information remains the same.

Subject: Reporting of Taxonomy Codes to Identify Provider Subparts on Institutional Claims

I. SUMMARY OF CHANGES: This Change Request requires providers billing for their primary facility and its subparts to report a taxonomy code on all of their claims.

New / Revised Material
Effective Date: January 1, 2007
Implementation Date: January 2, 2007

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	1/Table of Contents
N	1/160.1/Reporting of Taxonomy Codes (Institutional Providers)

III. FUNDING:
No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

Unless otherwise specified, the effective date is the date of service.

Attachment - Business Requirements

Pub. 100-04	Transmittal: 1133	Date: December 19, 2006	Change Request 5243

NOTE: Transmittal 1114, dated November 22, 2006 is rescinded and replaced by Transmittal 1133, dated December 159 2006. Section A-Background and Section B-Policy of the Business Requirements were modified to make the intent more clear. Additionally, the manual instruction has been corrected to align with the modified information in the Business Requirements. All other information remains the same.

SUBJECT: Reporting of Taxonomy Codes to Identify Provider Subparts on Institutional Claims

I. GENERAL INFORMATION

A. Background: Regulations implementing the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 require the use of National Provider Identifiers (NPIs) by covered health care providers and health plans (other than small plans) effective May 23, 2007. In reviewing the Medicare program's business needs in preparation for the implementation of the NPI, Medicare has identified the need to create a crosswalk for claims from the legacy identifier to the NPI. Because payers cannot be certain that all institutional providers will choose to apply for a unique national provider number for each of its subparts (i.e.; psychiatric unit, rehabilitation unit, etc.), CMS has determined that it is necessary to require providers who bill for subparts to submit a taxonomy code on their claims.

Traditionally, Medicare has enrolled these units as if they were different entities and assigned each its own Medicare ID ('OSCAR' number) also known as the 'legacy number'. Like the OSCAR numbers, the provider taxonomy code offers a way to indicate facility/unit type within a single NPI-assigned entity, thus allowing Medicare to appropriately crosswalk a provider NPI to each of a provider's subparts.

B. Policy: Institutional providers that currently bill Medicare using more than one legacy identifier in order to identify subparts of their facility are required to submit a taxonomy code on all of the claims they submit to Medicare. The attached table serves as a crosswalk from legacy identifiers to taxonomy codes. Taxonomy codes shall be reported by these facilities whether or not the facility has applied for individual NPIs for each of their subparts. Institutional providers that do not currently bill Medicare for subparts are not required to use taxonomy codes on their claims to Medicare.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
5243.1	Medicare systems shall require providers submitting claims for their primary facility and its subparts to report a taxonomy code on their claims. **NOTE:** Refer to the attachment for the taxonomy code and its corresponding type of provider.					X				
5243.2	Medicare systems shall add the billing or service provider taxonomy code and zip code fields to the FISS online claim entry and update screens.					X				
5243.3	Contractors shall instruct providers to report the service facility locator loop (2310E) in an 837-I claim whenever the service was furnished at an address other than the address reported on the claim for the billing or pay-to-provider.	X								
5243.4	Contractors shall instruct providers to input a taxonomy code in the following 837-I provider loop: - 2000A (billing or pay-to-provider taxonomy code).	X								
5243.4.1	Contractors shall notify submitters of institutional claims (X12 837-I version 4010A1) that when an entity that bills and is to be paid for services furnished by a subpart, and the subpart does not have a unique NPI separate from that of the main entity or another subpart, the subpart that furnished the billed care must be identified in the billing provider loop (2010AA) of the claim and the entity to be paid in the Pay-to provider loop (2010AB). The	X								

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
	taxonomy code of the subpart must also be reported in the PRV segment in the 2000A loop.									
5243.5	Contractors shall instruct providers to submit separate batches of claims for each subpart identified by a different taxonomy code.	X								
5243.6	Medicare systems shall require providers submitting claims for their primary facility and its subparts to submit a 9-digit ZIP code on their claims.					X				
5243.7	Contractors shall inform providers that CMS recommends submitting both the OSCAR and NPI numbers on claims submitted through May 22, 2007. **NOTE:** Providers that fail to report an OSCAR number to correspond to their NPI number could result in a delay in payment.	X								

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
5243.8	A provider education article related to this instruction will be available at www.cms.hhs.gov/MLNMattersArticles shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider	X								

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
	education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.									

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions
5243.4.1	If the same NPI is used to identify a main facility or company and its subparts, and Medicare pays a different rate for a subpart than the overall facility or parent company, a taxonomy code is needed to identify that the billed services were furnished by a particular subpart and enable correct payment. Since it is not possible to report a taxonomy code for a provider that is not either a billing or pay-to provider, the subpart information must be reported in the billing provider loop.

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: January 1, 2007 **Implementation Date:** January 2, 2007 **Pre-Implementation Contact(s):** Yvonne Young, (410)786-1886, Yvonne.Young@cms.hhs.gov**,** Wil Gehne, (410) 786-6148, Wilfried.Gehne@cms.hhs.gov **Post-Implementation Contact(s):** Regional Office	**No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.**

***Unless otherwise specified, the effective date is the date of service.**

ATTACHMENT

Attachment

OSCAR Provider Type	OSCAR Coding	Taxonomy Code
Short-term (General and Specialty) Hospitals	0001-0879 *Positions 3-6	282N00000X
Critical Access Hospitals	1300-1399 *	282NC0060X
Long-Term Care Hospitals **(LTCH Swing Beds submitting with type of bill 18X must use the LTCH taxonomy code)**	2000-2299 *	282E00000X
Hospital Based Renal Dialysis Facilities	2300-2499*	261QE0700X
Independent Renal Dialysis Facilities	2500-2899*	261QE0700X
Rehabilitation Hospitals	3025-3099 *	283X00000X
Children's Hospitals	3300-3399 *	282NC2000X
Hospital Based Satellite Renal Dialysis Facilities	3500-3699	Type of bill code 72X + 261QE0700X + different zip code than any renal dialysis facility issued an OSCAR that is located on that hospital's campus.
Psychiatric Hospitals	4000-4499 *	283Q00000X
Organ Procurement Organization (OPO)	P in third Position	335U00000X
Psychiatric Unit	M or S in third Position	273R00000X
Rehabilitation Unit	R or T in third Position	273Y00000X
Swing-Bed	U, W, Y, or Z in third Position	Type of bill code X8X (swing bed) with one of the following taxonomy codes to define the type of facility

		in which the swing bed is located: 275N00000X if unit in a short-term hospital (U); 282E00000X if unit in a long-term care hospital (W); 283X00000X if unit in a rehab facility (Y); or 282NC0060X if unit in a critical access hospital (Z).

Medicare Claims Processing Manual

Chapter 1 - General Billing Requirements

Table of Contents

(Rev. 1133, 12-19-06)

160.1 – Reporting of Taxonomy Codes (Institutional Providers)

(Rev. 1133, Issued: 12-19-06; Effective: 01-01-07; Implementation: 01-02-07)

Institutional providers that currently bill Medicare using more than one legacy identifier in order to identify subparts of their facility are required to submit a taxonomy code on all of the claims they submit to Medicare. Medicare legacy identifiers are six-digit Medicare provider numbers, also called OSCAR numbers. Taxonomy codes shall be reported by these facilities whether or not the facility has applied for individual NPIs for each of their subparts. Institutional providers that do not currently bill Medicare for subparts are not required to use taxonomy codes on their claims to Medicare. The following table supplies the crosswalk from the OSCAR number to the appropriate taxonomy code based on the provider's facility type:

OSCAR Provider Type	***OSCAR Coding***	***Taxonomy Code***
Short-term (General and Specialty) Hospitals	*0001-0879 *Positions 3-6*	*282N00000X*
Critical Access Hospitals	*1300-1399 **	*282NC0060X*
Long-Term Care Hospitals	*2000-2299 **	*282E00000X*
Hospital Based Renal Dialysis Facilities	*2300-2499**	*261QE0700X*
Independent Renal Dialysis Facilities	*2500-2899**	*261QE0700X*
Rehabilitation Hospitals	*3025-3099 **	*283X00000X*
Children's Hospitals	*3300-3399 **	*282NC2000X*
Hospital Based Satellite Renal Dialysis Facilities	*3500-3699*	*Type of Bill code 72X + 261QE0700X + different zip code than any renal dialysis facility issued an OSCAR that is located on that hospital's campus*
Psychiatric Hospitals	*4000-4499 **	*283Q00000X*
Organ Procurement Organization (OPO)	*P in third Position*	*335U00000X*

Psychiatric Unit	*M or S in third Position*	*273R00000X*
Rehabilitation Unit	*R or T in third Position*	*273Y00000X*
Swing-Bed Unit	*U, W, Y, or Z in third Position*	*Type of Bill Code X8X (swing bed) with one of the following taxonomy codes to define the type of facility in which the swing bed is located* *275N00000X if unit in a short-term hospital (U),* *282E00000X if unit in a long-term care hospital (W), 283X00000X if unit in a rehab facility (Y),* *282NC0060X if unit in a critical access hospital (Z)*