

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-08 Medicare Program Integrity	Centers for Medicare & Medicaid Services (CMS)
Transmittal 225	Date: OCTOBER 26, 2007
	Change Request 5674

SUBJECT: How to Handle the National Provider Identifier (NPI) for Ordering/Referring and Attending/Operating/Other/Service Facility for Medicare Claims

I. SUMMARY OF CHANGES: In accordance with the NPI final rule, when an identifier is reported on a claim for ordering/referring provider, i.e., or for any provider that is not a billing, pay-to or rendering provider, that identifier must be an NPI. For Medicare purposes this means that submission of an NPI for an ordering/referring provider is mandatory effective May 23, 2008. Legacy numbers cannot be reported on any claims sent to Medicare on or after May 23, 2008.

Medicare has always required that a provider identifier be reported for ordering/referring providers. Effective May 23, 2008, that number must be an NPI, regardless of whether that referring or ordering provider participates in the Medicare program or not or is a covered entity.

NEW / REVISED MATERIAL

EFFECTIVE DATE: MAY 23, 2008

IMPLEMENTATION DATE: APRIL 7, 2008

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/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers:

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

SECTION B: For Medicare Administrative Contractors (MACs):

The Medicare administrative contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One-Time Notification

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

Attachment - Business Requirements

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SUBJECT: How to Handle the National Provider Identifier (NPI) for Ordering/Referring and Attending/Operating/Other/Service facility for Medicare Claims

Effective Date: May 23, 2008

Implementation Date: April 7, 2008

FISS and MCS will implement 1/7/08

VMS will coding and design in January 2008 and implement in April 08.

I. GENERAL INFORMATION

A. Background: The Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) mandate the adoption of a standard unique health identifier for each health care provider. The (NPI) final rule, published on January 23, 2004, establishes the NPI as this standard. All health care providers covered under HIPAA must comply with the requirements of the NPI final rule (45 CFR Part 162, CMS-045-F). All entities covered under HIPAA must comply with the requirements of the NPI final rule.

B. Policy: In accordance with the NPI final rule, when an identifier is reported on a claim for ordering/referring /attending, operating/other/service facility provider, i.e., or for any provider that is not a billing, pay-to or rendering provider, that identifier must be an NPI. For Medicare purposes this means that submission of an NPI for an ordering/referring/attending/operating/other/service facility provider is mandatory effective May 23, 2008. Legacy numbers cannot be reported on any claims sent to Medicare on or after May 23, 2008.

The HIPAA mandates use of NPIs by all covered entities and defines covered entities as those that submit electronic transactions using HIPAA standards to one or more other covered entities. Although HIPAA does not require that a provider, such as a physician who never bills or submits electronic eligibility or claim status queries to Medicare or another insurer, obtain an NPI, individual health plans may do so if necessary to meet a program coverage requirement. Medicare has determined that the most efficient way to achieve this will be to require that those providers obtain an NPI and provide that NPI to those entities that submit claims to Medicare for services or items. Medicare will not pay for referred/ordered services or items unless the name and NPI number of the referring/ordering/attending/operating/other/service facility provider is on the claim.

Medicare has always required that a provider identifier be reported for ordering/referring/attending/operating/other/service facility providers. Effective May 23, 2008, that number must be an NPI, regardless of whether the provider participates in the Medicare program or not or is a covered entity. It is the responsibility of the claim/bill submitter to obtain the ordering/referring/attending/operating/other/service facility NPI for health care providers. Providers whose business is largely based upon provision of services or items referred/ordered by other providers must be careful furnishing such services/items unless they first obtain the NPI of the referring/ordering individual, and understand that if they furnish services/items and do not obtain that person's NPI prior to billing Medicare their claim will be denied. If the NPI is not directly furnished by the ordering/referring provider at the time of the order, the provider expected to furnish the services or items should contact that provider for his/her NPI prior to

delivery of the services/items. Providers who have not obtained an NPI by May 23, 2008, are not permitted to refer/order services or items for Medicare beneficiaries.

Physicians (MD and DO) and the following non physician practitioners are the only types of providers allowed to refer/order services or items for beneficiaries: nurse practitioners (NP), clinical nurse specialist (CNS), physician assistants (PA) and certified nurse midwives (CNM).

Established NPI business requirements for beneficiary submitted (CR 5328), deceased physician (CR 5416), adjustments (CR 5416), beneficiary submitted (CR 4169), flu claims (CR 4169), foreign claims (CR 4169) and pandemic flu claims (CR 4169) remain as written.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I I E R	C A R R I E R	D M E R C	R H I	Shared-System Maintainers			
							F I S S	M C S	V M S	C W F	
5674.1	Medicare contractors shall continue to follow existing Medicare claim requirements in regard to reporting of provider identifying information, including provider identification numbers, for ordering/referring/attending/operating/other/service facility providers/purchased service providers.	X	X	X	X			X	X	X	
5674.2	Contractors shall reject/return as unprocessable a claim for which ordering/referring identification is required if an NPI is not reported for the ordering/ referring.	X	X		X			X	X		
5674.3	Contractors shall no longer use surrogate UPINs (OTH000, RES000, SLF000, VAD000, PHS000 and RET000) in any claims processing edits for ordering/referring/attending/operating/other/service facility providers/purchased service providers with the exception of the VA MRA demo project (CR 5615)	X	X	X	X			X	X	X	
5674.4	Contractors shall reject/return as unprocessable as unable to identify the ordering/referring/attending/operating/other/service facility provider/purchased service provider's NPI if a claim is submitted that does not contain a 10-byte numeric identifier. No special characters or letters may appear in that 10-digit number.	X	X	X	X			X	X		
5674.5	Contractors shall reject/return as unprocessable as unable to identify the ordering/referring/attending/operating/other/service facility provider/purchased service provider's NPI if a claim is submitted with an NPI that does not contain a 1, 2, 3, or 4 as the first digit of the	X	X	X	X			X	X		

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B M A C	D M E M A C	F I I E R	C A R R I E R	D M E R C	R H H I	Shared-System Maintainers				OTHER
								F I S S	M C S	V M S	C W F	
	10-digit number.											
5674.6	Contractors shall reject/return as unprocessable as unable to identify the ordering/referring/attending/operating/other/service facility provider/purchased service provider th NPI if a claim is submitted and the 10 th digit of the NPI number is not a valid check digit using the NPI algorithm.	X	X	X	X				X	X		
5674.7	Contractors shall continue to use the established NPI business requirements for beneficiary submitted claims (CR 5328), deceased physician claims (CR 5416), and adjustments (CR 5416), beneficiary submitted (CR 4169), flu claims (CR 4169), foreign claims (CR 4169) and pandemic flu claims (CR 4169) remain as written.	X	X	X	X				X	X		
5674.8	The Shared Systems shall code effective date logic for full NPI implementation to be flexible.	X	X	X	X				X	X	X	
5674.9	Contractors and their shared system maintainers shall reject and/or return as unprocessable all inbound electronic 837 professional and 837 institutional, including direct data entry (DDE), if they contain a legacy identifier for secondary providers, when directed by CMS.	X	X	X	X				X	X	X	
5674.10	Fiscal intermediaries and their shared system maintainer shall edit the REF01 data element for the value of either "1C" (Medicare Provider Number) or "1G" (UPIN) in the following loops of the 837 claim transaction: <ul style="list-style-type: none"> - 2310A Attending Physician; - 2310B Operating Physician; - 2310C Other Physician; - 2310E Service Facility; - 2420A Attending Physician; - 2420B Operating Physician; - 2420C Other Physician. <p>If those values are present, the FIs and their shared system maintainer shall reject the claim.</p>	X		X					X			
5674.11	Carriers and their shared system maintainers shall edit the REF01 data element for the value of either "1C" (Medicare Provider Number) or "1G" (UPIN) in the following loops of the 837 claim	X	X		X					X	X	

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B M A C	D M E M A C	F I I E R	C A R R I E R	D M E R C	R H H I	Shared-System Maintainers				OTHER
								F I S S	M C S	V M S	C W F	
	<p>transaction:</p> <ul style="list-style-type: none"> - 2310A Referring Provider; - 2310C Purchased Service Provider; - 2310D Service Facility Location; - 2310E Supervising Provider; - 2420B Purchased Service Provider; - 2420C Service Facility Location; - 2420D Supervising Provider; - 2420E Ordering Provider; - 2420F Referring Provider. - 2330D Other Payer Referring - 2330F Other Payer Purchased Service - 2330G Other Payer Service Facility - 2330H Other Payer Supervising - 2400 PSI segment <p>If those values are present, the carriers and their shared system maintainers shall reject the claim, also legacy identifiers should be rejected in the 2400.PS1.PS101 (Purchased Service Provider Identifier)</p>											
5674.12	Contractors and their shared system maintainers shall not report Medicare legacy numbers on the outbound coordination of benefits (COB) transaction. NOTE: An exception is permitted for those claims that have not cleared the system by the date CMS ends its' NPI contingency. Those "pending" claims may contain legacy number, so the COB will also include the legacy number.	X	X	X	X			X	X	X		

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B M A C	D M E M A C	F I I E R	C A R R I E R	D M E R C	R H H I	Shared-System Maintainers				OTHER
								F I S S	M C S	V M S	C W F	
5674.1	A provider education article related to this	X	X	X	X							

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A	D	F	C	D	R	Shared-System Maintainers				OTHER
		/	M	I	A	M	H	F	M	V	C	
B	E		R	R	I	I	S	S	S	W		
3	instruction will be available at http://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 one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. 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

A. For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

B. For all other recommendations and supporting information, use the space below:

V. CONTACTS

Pre-Implementation Contact(s): Sandee Olson sandra.olsom@cms.hhs.gov (410)-786-1325, Yvonne Young yvonne.young@cms.hhs.gov (410) 786-1886 (FI Billing)

Post-Implementation Contact(s): Regional office

VI. FUNDING

A. For Fiscal Intermediaries, Carriers, and the Durable Medical Equipment Regional Carrier (DMERC), use only one of the following statements:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2008 operating budgets.

B. For Medicare Administrative Contractors (MAC), use only one of the following statements:

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts specified in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.