

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR MEDICARE

DATE: May 3, 2019

TO: All Medicare Advantage Organizations, PACE Organizations, Medicare-Medicaid Plans, Section 1833 Cost Contractors and Section 1876 Cost Contractors, and Demonstrations

FROM: Jennifer R. Shapiro, Acting Director, Medicare Plan Payment Group

SUBJECT: Encounter Data Software Release Update to Billing Provider Editing

The Centers for Medicare and Medicaid Services (CMS) continues to implement software improvements to the systems related to accepting and processing encounter data to support the Medicare Advantage (MA) program. This memorandum provides detailed information regarding the release of Encounter Data Processing Systems (EDPS) changes that will be implemented on June 28, 2019, as well as submission guidance related to these changes.

System improvements can fall into 3 categories: (1) corrections or modifications to the logic for existing edits to align with program policies, (2) changes in the disposition status of existing edits, and (3) implementation of new edits. The category reflected in this release is (3), and can be found in Table 1. The disposition of this edit code (01410) is "Reject".

This system release enhances CMS's validation of Billing Provider National Provider Identifiers (NPIs). For all Encounter and Chart Review Records, CMS will validate the submitted Billing Provider NPI on all Institutional, Professional, and Durable Medical Equipment encounter data records for all DOS from 1/1/2011 and forward against all NPIs contained in the National Plan and Provider Enumeration System (NPPES) database, and if the NPI is not found or is inactive, the record will reject. The EDPS will utilize the data in the NPPES Full Replacement Monthly NPI File and the Weekly Incremental NPI File to edit the Billing Provider Identification Code. This reference data is publicly available on the CMS website (<https://www.cms.gov/Regulations-and-Guidance/Administrative-Simplification/NationalProvIdentStand/DataDissemination.html>). The NPI submitted in the header Billing Provider Identification code field should be active in NPPES for the "from date of service" on the submitted record. The EDPS will maintain a record of all enumeration and all deactivation dates for each NPI from 1/1/2011 going forward.

Please reference Section 3.5 of the Encounter Data Submission and Processing Guide for appropriate use of default NPIs. As noted in Section 3.5 Encounter Data Submission and Processing Guide, default NPIs are unique to the respective record type. In addition to the validation of Billing Provider NPIs, edit '01410' will validate and reject encounter records

where the use of the default NPI does not match the respective record type. For example PROF default NPI 1999999976 cannot be submitted on an INST or DME encounter data record.

The EDPS change is described below and may require plan action:

Table 1: Changes to Edit Logic reported on MAO-002 Reports

Edit Code	Description	Effective Date	Modification Type (1=correction/modification to an existing edit; 2=change in disposition status; 3=new edit)	Modules Edit Applies to (INST, PRF, or DME)	Edit Disposition <i>I=Informational</i> <i>R=Reject</i> <i>D = Deactivated</i>
01410	Invalid Billing Provider NPI	3/28/2019	3	INST, PRF, DME	R

In addition to this edit change, MAOs are reminded of the November 2, 2018 Health Plan Management System (HPMS) memo titled, “Preclusion List Requirements”. For 2019, CMS recommends that Medicare plans and Part D plans furnish the Medicare beneficiaries with at least 60 days’ advance notice before they begin denying payment for a health care item or service furnished by a provider on the Preclusion List and rejecting a pharmacy claim (or denying a beneficiary request for reimbursement) for a drug that is prescribed by a provider on the Preclusion List. As such, we suggested such payment denials and claims rejections begin on April 1, 2019, for the January 1, 2019 Preclusion List. CMS will be implementing an edit in the future to align with this MAO submission guidance.

Questions can be addressed to encounterdata@cms.hhs.gov, please specify, “Encounter Data Software Release Update to Billing Provider editing” in the subject line.