Related MLN Matters Article #: MM4023

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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

Key Words

MM4023, CR4023, NPI, Electronic, Paper, Forms, Claims, Transition, Plan, Stage 2, Provider, Identifier

Provider Types Affected

Physicians, providers, and suppliers who submit claims for services to Medicare Carriers, including Durable Medical Equipment Medicare Administrative Contractors (DME MACs), Fiscal Intermediaries (FIs) and Regional Home Health Intermediaries (RHHIs)

Key Points

Important Note: Medicare fee-for-service has instituted a contingency plan for NPI implementation that delays the requirement for the NPI beyond May 23, 2007. For details regarding this delay, please see MLN Matters article MM5595 at *http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5595.pdf* on the CMS website.

- The effective date of the instruction is April 1, 2006.

- The implementation date is April 3, 2006.

- MLN Matters article MM4023 was revised on August 25, 2006, by adding a statement directing readers to view article MM5060 at *http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5060.pdf* for more current information on the effective dates for using Form CMS-1500 (08/05).

- The dates in the MLN Matters article MM5060 supersede the dates in MM4023, and MM5060 conforms with Change Request (CR) 5060, which is available at *http://www.cms.hhs.gov/transmittals/downloads/R1058CP.pdf* on the CMS website.

- The Health Insurance Portability and Accountability Act of 1996 requires issuance of a unique NPI to each physician, supplier, and other provider of health care (45 Code of Federal Regulations Part 162, Subpart D (162.402-162.414)).

- To comply with this requirement, the Centers for Medicare & Medicaid Services (CMS) began to accept applications for and to issue NPIs on May 23, 2005. (**See Important Note above.**)

- Applications can be made by mail and online at *https://nppes.cms.hhs.gov/NPPES/Welcome.do* on the CMS website.

- The NPI is a 10-position, intelligence-free (not carrying other information about healthcare providers) numeric identifier (10-digit number).

- Medicare's implementation involving acceptance and processing of transactions with the NPI will occur in separate stages, as shown in the table on page 3 of MM4023.

- Beginning May 23, 2007 (May 23, 2008, for small health plans), the NPI must be used in lieu of legacy provider identifiers. (**See Important Note above.**)

- During Stage 2, (October 2, 2006 – May 22, 2007), Medicare will utilize a crosswalk between NPIs and legacy identifiers to validate NPIs received in transactions, assist with population of NPIs in Medicare data center provider files, and report NPIs on remittance advice and coordination of benefit transactions.

- During Stage 2, an X12 837 claim may technically be submitted with only an NPI for a provider, but providers are strongly encouraged to also submit the corresponding Medicare legacy identifier for each NPI in X12 837 Medicare claims.

- Claims will be rejected if:

  - The NPI included in a claim or claim status request does not meet the content criteria requirements for a valid NPI.

  - An NPI reported cannot be located in Medicare files.

  - The NPI is located, but a legacy identifier reported for the same provider in the transaction does not match the legacy identifier in the Medicare file for that NPI.

  - Claims include the NPI but do not have a taxpayer identification number reported for the billing or pay-to provider in electronic claims received via X12 837, direct data entry screen (FI Standard System only), or Medicare's free billing software.

National Council of Prescription Drug Plans (NCPDP) Claims

- The NCPDP format was designed to permit a prescription drug claim to be submitted with either **an NPI or a legacy identifier, but not more than one identifier** for the same retail pharmacy or prescribing physician.

- The NCPDP did provide qualifiers, including one for NPIs, to be used to identify the type of provider identifier being reported.

- For Stage 1, retail pharmacies were directed to continue filing their NCPDP claims with their individual NSC number and to report the UPIN of the prescribing physician.

- During Stage 2, retail pharmacies will be allowed to report their NPI, and/or the NPI of the prescribing physician (if they have the prescribing physician's NPI) in their claims.

Paper Claim Forms

- The transition period for the revised CMS-1500 is currently scheduled to begin October 1, 2006, and end February 1, 2007.

- The transition period for the UB-04 is currently scheduled for March 1, 2007 – May 22, 2007.

- Pending the start of submission of the revised CMS-1500 and the UB-04, **providers must continue to report legacy identifiers and not NPIs, when submitting claims on the non-revised CMS-1500 and the UB-92 paper claim forms.**

Standard Paper Remits (SPRs)

- The SPR FI and carrier/DME MAC formats are being revised to allow reporting of both a provider's NPI and legacy identifier when both are available in Medicare's files. The revised FI and carrier/DME MAC SPR formats are attached to CR4023:

  - CR4023 Attachment 1: FI Standard Paper Remit (SPR) Amended Format for Stage 2

  - CR4023 Attachment 2: Carrier/DME MAC SPR Amended Stage 2 Format

Remit Print Software

- The 835 PC-Print and Medicare Remit Easy Print software will be modified by October 2, 2006, to enable either the NPI or a Medicare legacy number, or both if included in the 835, to be printed during Stage 2.

Free Billing Software

- Medicare will ensure that this software is changed as needed by October 2, 2006, to enable reporting of both an NPI and a Medicare legacy identifier for each provider for which data is furnished in a claim and to identify whether an entered identifier is an NPI or a legacy identifier.

Important Links

The related MLN Matters article can be found at
http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4023.pdf on the CMS website.

The official instruction (CR4023) issued regarding this change may be viewed at
http://www.cms.hhs.gov/transmittals/downloads/R190OTN.pdf on the CMS website.

CR5229 corrects certain business requirements in CR4023 that relate to edits for NPIs and provider legacy identifiers when reported on claims, particularly for **referring/ordering or other secondary providers**, effective October 1, 2006, and later. CR5229 may be found at
http://www.cms.hhs.gov/Transmittals/downloads/R234OTN.pdf on the CMS website.

CR4320 discusses the Stage 1 Requirements and can be found at
http://www.cms.hhs.gov/Transmittals/downloads/R204OTN.pdf on the CMS website. The related article may be found at *http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4320.pdf* on the CMS website.
Providers may also wish to review MLN Matters article SE0555, "Medicare's Implementation of the National Provider Identifier (NPI): The Second in the Series of Special Edition MLN Matters Articles on NPI-Related

Activities," which is available at *http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0555.pdf* on the CMS website.

Providers should refer to their local FI/RHHI or carrier/DME MAC if they have questions about this issue. Their toll-free phone number may be found at *http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip* on the CMS website.