



News Flash - The 2008 Physician Election Period for the Medicare Part B Drug Competitive Acquisition Program (CAP) will begin on October 1, 2007 and concludes on November 15, 2007. The CAP is a voluntary program that offers physicians the option to acquire many injectable and infused drugs they use in their practice from an approved CAP vendor, thus reducing the time they spend buying and billing for drugs. The 2008 CAP program will run from January 1 to December 31, 2008. Once a physician has elected to participate in CAP, they must obtain all drugs on the CAP drug list from the CAP drug vendor. Physicians can still continue to purchase and bill Medicare under the Average Sale Price (ASP) system for those drugs that are not provided by the physician's CAP vendor. Additional information about the CAP is available at http://www.cms.hhs.gov/CompetitiveAcquisforBios/01_overview.asp on the CMS website. Please note that completed and signed physician election forms should be returned by mail to your local carrier. Forms must be postmarked on or before November 15, 2007. DO NOT return forms to CMS offices.

MLN Matters Number: MM5728

Related Change Request (CR) #: 5728

Related CR Release Date: October 5, 2007

Effective Date: No later than May 23, 2008

Related CR Transmittal #: R1349CP

Implementation Date: January 7, 2008 and April 7, 2008

Medicare Fee for Service (FFS) National Provider Identifier (NPI) Final Implementation

Provider Types Affected

Physicians, providers, and suppliers who submit any HIPAA standard transactions to Medicare contractors (carriers, Fiscal Intermediaries, (FIs), including Regional Home Health Intermediaries (RHHIs), Medicare Administrative Contractors (A/B MACs), and DME Medicare Administrative Contractors (DME MACs))

Provider Action Needed



STOP – Impact to You

This article is based on CR5728, which describes the policy change brought about as a result of the Health Insurance Portability and Accountability Act (HIPAA) of 1996, that requires issuance of a unique national provider identifier (NPI) to each

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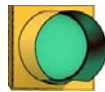
physician, supplier, and other provider of health care who conducts HIPAA standard electronic transactions.



CAUTION – What You Need to Know

Once CMS ends its' NPI contingency, the legacy number will NOT be permitted on any inbound electronic and outbound electronic transaction (there are exceptions to the 835 remittance advice (see CR5452)). Medicare contractors will begin rejecting claims, electronic, including direct data entry, that contain legacy provider numbers for any primary provider instead of or in addition to the NPI number. The following HIPAA transactions are also affected:

- X12N 276/277 Claim Status Inquiry/Response – (see CR5726 for details.)
- X12N 837 Coordination of Benefits (COB) – NPI only will be sent on the 837 coordination of benefits. Legacy numbers are not allowed. An exception will exist for claims that have not cleared the system by the date that CMS ends its NPI contingency plan. Such claims may contain the legacy number and, therefore, the COB transaction will also include the legacy number.



GO – What You Need to Do

No later than May 23, 2008, providers should ensure that all HIPAA transactions sent to Medicare contractors contain only valid NPI numbers (no legacy provider numbers.)

Background

The Health Insurance Portability and Accountability Act (HIPAA) of 1996 required issuance of a unique national provider identifier (NPI) to each physician, supplier, and other provider of health care who conducts HIPAA standard electronic transactions. The Centers for Medicare & Medicaid Services (CMS) began to issue NPIs on May 23, 2005. CMS has been allowing transactions adopted under HIPAA to be submitted with a variety of identifiers. They are:

- NPI only;
- Medicare legacy only; or
- NPI and legacy combination.

On April 2, 2007, the Department of Health and Human Services (DHHS) provided guidance to covered entities regarding contingency planning for the implementation of the NPI. As long as a health plan is compliant, meaning they can accept and send NPIs on electronic transactions, they may establish contingency plans to facilitate the compliance of their trading partners. As a

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compliant health plan, Medicare fee for service (FFS) established a contingency plan on April 20, 2007, that followed this guidance. CR5728 directs Medicare contractors to begin rejecting HIPAA inbound claims when directed by CMS, if they contain legacy provider identifiers.

Since paper claims are not HIPAA transactions, these requirements do not apply to paper claims, however, providers should not submit legacy numbers on paper claims once CMS ends its NPI contingency plan.

Additional Information

The official instruction, CR5728, issued can be found at <http://www.cms.hhs.gov/Transmittals/downloads/R1349CP.pdf> on the CMS website.

If you have questions, please contact your Medicare contractor at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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