

**MOA MEMBERS
FROM SUE A. WEINGARTNER, EXECUTIVE DIRECTOR
JANUARY 28, 2008**

**ENFORCEMENT OF THE COMPLIANCE DATE, CLARIFYING
MEDICARE'S KEY IMPLEMENTATION DATES, TESTING
MEDICARE CLAIMS AND MORE**

**PLEASE SEE THE INFORMATION IN RED REGARDING THE NPI
CONFERENCE CALL ON FEBRUARY 6. You must register to participate.
This email has also been sent to State Executive Directors and Carrier
Advisory Committee members.**

Industry-Wide Enforcement of the NPI Compliance Date

The compliance date for the NPI for all HIPAA covered entities except small health plans was May 23, 2007. (Small health plans have until May 23, 2008 to comply.) In guidance provided on April 2, 2007, CMS announced that, through May 23, 2008, it would not impose penalties on covered entities that deploy contingency plans to facilitate the compliance of their trading partners. On May 24, 2008, CMS will lift its enforcement-leniency policy. Complaints will be investigated as they are today, but penalties will be a legitimate resolution if the entity does not demonstrate compliance or corrective action. CMS will continue to employ a complaint-driven approach to enforcement. For example, if a complaint is received alleging a failure to comply with the NPI requirements, CMS will contact the entity to secure evidence of compliance and the contingency plan that had been in place. If violations are identified, enforcement actions will take place.

This notice does not prohibit covered entities from lifting contingency plans prior to May 24, 2008.

In sum, no later than May 24, 2008, all covered entities are expected to be using the NPI in a compliant manner, and all contingency plans should be lifted.

NPPES and the NPI Enumerator: Misconceptions & Facts

In conversations and correspondence with health care providers, health plans, and others within the health care industry, it is very clear that there are misconceptions concerning the National Plan and Provider Enumeration System (NPPES) and the NPI Enumerator. Below we have listed some common misconceptions and the facts that correct those misconceptions.

Misconception	Fact
NPPES sends data directly to the Medicare provider enrollment system.	NPPES does not send data to the Medicare provider enrollment system or to the provider enrollment system of any health plan. As explained in the

	<p>NPI Final Rule, applying for enrollment in a health plan is a completely separate process from the process of applying for an NPI.</p>
<p>NPPES sends data directly to the Medicare claims system.</p>	<p>NPPES does not send data to the Medicare claims system or to the claims system of any health plan. Medicare extracts certain NPPES data and uses those data in its Medicare NPI Crosswalk. That Crosswalk is used in processing Medicare Part A and Part B claims. Other health plans are also free to use NPPES data to help process their claims.</p>
<p>NPPES is part of the Medicare provider enrollment system.</p>	<p>Obtaining an NPI is required in order for a health care provider to enroll in Medicare; however, the NPPES does not function as a part of the Medicare provider enrollment system. Medicare requires a health care provider to have an NPI and to furnish that NPI on the Medicare provider enrollment application form (CMS-855). In addition, once a health care provider submits a CMS-855 to Medicare, Medicare compares the NPI and certain other information on the CMS-855 to certain information in that health care provider's record in NPPES. If the information being compared does not match, the health care provider must correct whichever information (NPPES or CMS-855) is incorrect in order for the enrollment process to continue.</p>
<p>Obtaining an NPI guarantees payment to the health care provider by a health plan.</p>	<p>As explained in the NPI Final Rule, obtaining an NPI does not guarantee payment to the health care provider by Medicare or by any other health plan. NPI assignment simply establishes the uniqueness of an enumerated health care provider amongst all other enumerated health care providers. Most health plans will not pay a health care provider that is not enrolled in that health plan.</p>
<p>NPPES verifies licenses and</p>	<p>NPPES does not verify licenses or</p>

<p>credentials that are reported by health care providers when applying for NPIs.</p>	<p>credentials. NPPES verifies only two things: (1) It verifies a health care provider's Social Security Number if the health care provider is an individual who furnished his/her SSN when applying for the NPI; and (2) Using special software, it verifies that the health care provider's business mailing and practice location addresses are legitimate Postal Service addresses, but not that the health care provider is actually associated with or located at either of those addresses. Licensure and credentials must be verified by health plans as part of their enrollment processes. It is possible, under certain circumstances, that the NPI Enumerator may contact health care providers who have submitted applications, updates, or deactivations to verify information that was furnished in order to properly process those actions. Health care providers are reminded that the information they send to NPPES must be true, correct, and complete, in accordance with the Certification Statement of the NPI Application/Update Form (paper form and web-based form).</p>
<p>NPPES is a Medicare system.</p>	<p>NPPES is not a Medicare system; it belongs to no health plan. It is maintained by CMS for the health care industry in general, in accordance with the NPI Final Rule and as part of CMS' delegated HIPAA authority. Health care providers who apply for NPIs are not required to furnish any information about their enrollment in any health plan. In an optional field, health care providers may report legacy identifiers that health plans have assigned to them in the past. This field, "Other Provider Identification Numbers," can capture the legacy identifiers and the issuers of those identifiers (i.e., the names of the health plans that</p>

	assigned them). The information in this field is used by health plans to help them locate their enrolled providers in NPPES in order to know of their NPI assignments. For this reason, Medicare providers are urged to report their Medicare legacy identifiers in this field.
The NPI Enumerator can update the Medicare claims and enrollment systems.	The NPI Enumerator cannot view, update, or interact with the Medicare claims or the Medicare enrollment systems, nor can it do so with any health plan's claims or enrollment systems.
The NPI Enumerator can view and update/change the Medicare NPI Crosswalk.	The NPI Enumerator cannot view or update/change the Medicare NPI Crosswalk. The NPI Enumerator can assist providers with certain aspects of updating their NPPES records, and some of that information in those NPPES records could be used by Medicare in the Medicare NPI Crosswalk.
The NPI Enumerator serves Medicare providers and supports Medicare operations, not other providers or health plans.	The NPI Enumerator operates under contract to CMS in accordance with the NPI Final Rule and as part of CMS' delegated HIPAA authority. The NPI Enumerator serves the entire health care provider community for NPI purposes, not just Medicare providers. The functions of the NPI Enumerator are not specific to any health plan.

CMS has posted information that lists the specific duties and responsibilities of the NPI Enumerator in a recent MLN Matters article located at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0751.pdf> on the CMS website. An article that further clarifies the functions of NPPES and the NPI Enumerator is in development; this article will be announced once available.

Important Information for Medicare Providers

Medicare's Key Dates

There are two key dates remaining for 2008 in Medicare's NPI implementation plan. There is also some confusion as to the difference between the implementation steps for March 1st and May 23rd. The chart below indicates the

implementation steps for each date; as well a new column to help further clarify the difference between these two dates.

Date	Implementation Steps	Key Point
March 1, 2008	<ul style="list-style-type: none"> - Medicare FFS 837P and CMS-1500 claims must include an NPI in the primary provider fields on the claim (i.e., the billing, pay-to, and rendering provider fields). - You may continue to submit NPI/legacy pairs in these fields or submit only your NPI on the claim. You may not submit claims containing only a legacy identifier in the primary provider fields. - Failure to submit an NPI in the primary provider fields will result in your claim being rejected or returned as unprocessable. - Until further notice, you may continue to include legacy identifiers only for the secondary provider fields. 	<p>Claims with <u>only</u> legacy identifiers in the primary provider fields will be rejected.</p>
May 23, 2008	<ul style="list-style-type: none"> - In keeping with the Contingency Guidance issued on April 2, 2007, CMS will lift its NPI contingency plan, meaning that only the NPI will be accepted and sent on all HIPAA electronic transactions (837I, 837P, NCPDP, 276/277, 270/271 and 835), paper claims and SPR remittance advice. (Note that this date is one day earlier than that mandated by the National Enforcement Policy) - This also includes all secondary provider fields on the 837P and 837I. The reporting of legacy identifiers will result in the rejection of the transaction. - CMS will also stop sending legacy identifiers on COB crossover claims at this time. 	<p>If the claim contains a legacy identifier in any field, it will be rejected.</p>

Only 4 Months Until May 23rd - Test NPI-only claims NOW

While Medicare is receiving well over 90% of claims containing an NPI in primary provider fields, there is a very small percent of claims submitted with NPI- only.

Until you submit claims with an NPI-only, you will not have a preview of

what your experience will be on May 23rd. The time for correcting problems, should there be any, is getting short. CMS urges that ALL Medicare providers test NOW so that problems can be resolved prior to May 23rd. For example, if there is a problem that requires a change in your Medicare enrollment information, you will need to act immediately.

How to test - After Medicare providers have submitted claims containing both NPIs and legacy identifiers and those claims have been paid, Medicare urges these providers to send a small batch of claims now with **only the NPI** in the primary provider fields. If the results are positive, begin increasing the number of claims in the batch.

(Reminder: For institutional claims, the primary provider fields are the Billing and Pay-to Provider fields. For professional claims, the primary provider fields are the Billing, Pay-to, and Rendering Provider fields. If the Pay-to Provider is the same as the Billing Provider, the Pay-to Provider does not need to be identified.)

Remember, if you test and your claims are processed successfully, you can approach the May 23rd date with confidence. If you do not, you may face unanticipated cash flow problems.

Medicare DMEPOS Suppliers: If Your Claims Are Rejecting!

Medicare DMEPOS suppliers may be experiencing claims rejections if they did not obtain their NPIs properly, if they are not properly enrolled in Medicare, or both. For example, if a DMEPOS supplier who is a sole proprietorship enrolled with the National Supplier Clearinghouse (NSC) as an organization and furnished an Employer Identification Number (EIN) instead of a Social Security Number (SSN), but obtained a National Provider Identifier (NPI) as an Entity type 1 - Individual, the Medicare NPI Crosswalk will be unable to link that DMEPOS supplier's Medicare legacy identifier (the NSC number) to its NPI. This is because the NSC number and the NPI identify different entity types--one identifies an organization and the other an individual. When a linkage between a Medicare legacy identifier and an NPI used in a claim does not exist in the Medicare NPI Crosswalk, the claim will reject. DMEPOS suppliers should contact the DME MAC if they do not understand the error message they received.

If the rejection was due to the inability of the Medicare NPI Crosswalk to link the NPI to the NSC number, the DMEPOS supplier should check the NPPES record to ensure the appropriate Entity type (1 = Individual; or 2 = Organization) is reflected in that record. Individuals (including sole proprietorships) obtain NPIs as Entity type 1. Organizations obtain NPIs as Entity type 2. If the NPPES record shows the appropriate Entity type, the DMEPOS supplier should contact the NSC to ensure the enrollment record is correct. If the NPPES record does not show the appropriate Entity type, the DMEPOS supplier needs to take action to ensure the appropriate Entity type is selected. If assistance is necessary, the

NPI Enumerator (1-800-465-3203) can explain to the DMEPOS supplier how this is done.

Once the NPES record is correct, the DMEPOS supplier needs to ensure that it is properly enrolled in Medicare. The NSC, once contacted, will ask appropriate questions to determine if the DMEPOS supplier is, in fact, a sole proprietorship, and if so, properly reflected as such in the enrollment record. The NSC will assist the DMEPOS suppliers in correcting their enrollment records.

DMEPOS suppliers who are sole proprietorships should be aware of the following:

- A DMEPOS supplier who is a sole proprietorship obtains an Entity type 1 (Individual) NPI.
- When enrolling in Medicare (form CMS-855S) with the NSC, a DMEPOS supplier who is a sole proprietorship furnishes his/her SSN as the Taxpayer Identification Number (TIN).
- The Legal Name of the sole proprietorship business is the sole proprietor's name.
- It is possible for the sole proprietorship to have a "doing business as" (dba) name. The dba name can be reported on the CMS-855S and in the NPI application (in the "Other Name" field). A dba name, however, is not a Legal Name.
- It is possible that the sole proprietorship requested and received an Employer Identification Number (EIN) from the IRS if the sole proprietorship has employees. This EIN will protect the sole proprietor's SSN from appearing in claims and on W-2s.
- Medicare will treat the EIN as the TIN for purposes of claims processing, but the SSN must still be reported on the CMS-855S.
- When Medicare reports tax information to the IRS for that EIN, the IRS will link that EIN to the sole proprietor's SSN.

Additional Information on Reporting a National Provider Identifier (NPI) for Ordering/Referring and Attending/Operating/Other/Service facility for Medicare Claims

Visit <http://www.cms.hhs.gov/MLN MattersArticles/downloads/MM5890.pdf> for a recently released MLN Matters Article on the topic of reporting NPIs for order/referring and attending/operating/other/service facility for Medicare claims.

CMS to Host National NPI Roundtable on 2/6/2008

CMS will host a national NPI Roundtable on Wednesday, February 6th from 2:30 – 4PM ET. This call will focus on the status of the Medicare implementation and a related question and answer session. Registration details are available at <http://www.cms.hhs.gov/NationalProvIdentStand/Downloads/listservording2-6-08npcall.pdf> on the CMS website.

WEDI to Host NPI Audiocast

The Workgroup for Electronic Data Interchange (WEDI) will host an audiocast to discuss NPI implementation from an industry-wide standpoint. The audiocast will be held on February 21, 2008. Visit <http://www.wedi.org/npioi/index.shtml> for registration details. Please note there is a charge to participate in WEDI events.

Need More Information?

Not sure what an NPI is and how you can get it, share it and use it? As always, more information and education on the NPI can be found through the CMS NPI page www.cms.hhs.gov/NationalProvIdentStand on the CMS website. Providers can apply for an NPI online at <https://nppes.cms.hhs.gov> or can call the NPI enumerator to request a paper application at 1-800-465-3203. Having trouble viewing any of the URLs in this message? If so, try to cut and paste any URL in this message into your web browser to view the intended information.

Note: All current and past CMS NPI communications are available by clicking "CMS Communications" in the left column of the www.cms.hhs.gov/NationalProvIdentStand CMS webpage.