

September 2016

<Provider Name>
<Provider Address 1>
<Provider Address 2>
<Provider City> <State> <zipcode5-zipcode4>

Dear Nursing Facility Administrator:

RE: Claim Adjustment Reason Code (CARC) B7 – Billing National Provider Identification (NPI) Number Does Not Match the NPI Assigned to the Level of Care (LOC) Code 02 on the Eligibility File

Nursing facility billing staff may have received a Medicaid Remittance Advice showing CARC B7. CARC B7 is defined as “This provider was not certified/eligible to be paid for this procedure/service on this date of service.” CARC B7 is triggered when the Medicaid beneficiary’s LOC code does not match the billing NPI in the claim line for dates of service billed.

CARC B7 informs the facility that the beneficiary has not been authorized for Medicaid reimbursed long-term care services under the billing NPI (no benefit plan for the period billed for that NPI). CARC B7 is currently set to Ignore.

The purpose of this letter is to inform you that effective October 4, 2016, CARC B7 will be set to Deny.

If the LOC 02 has not been assigned to the billing NPI in the Community Health Automated Medicaid Processing System (CHAMPS) for dates of service billed, the claim will reject. The **reasons** why the LOC 02 is not assigned to the billing NPI may be due to:

1. The MSA 2565-C – Facility Admission Notice was not submitted to the beneficiary’s case worker by the current service provider.
2. The MSA 2565-C form did not contain the correct NPI in field 12.A. or the correct Medicaid Provider ID Number in field 12.B.
3. In cases of a Change of Ownership (CHOW) the MSA 2565-C that is on file assigned the LOC 02 under the old billing NPI; the LOC 02 is not assigned under the new billing NPI.
4. The MSA 2565-C was submitted to the beneficiary’s case worker but has not yet been processed.

Below are corresponding, numbered **remedies** to address the numbered **reasons** above as to why the LOC 02 is not assigned to the billing NPI:

1. Submit a completed MSA 2565-C to the beneficiary's case worker; once processed, resubmit your claim. Medicaid Letter L 16-13, dated April 28, 2016, provides additional information on the MSA 2565-C. Medicaid letters can be accessed on the Michigan Department of Health and Human Services (MDHHS) website at www.michigan.gov/medicaidproviders >> Communications and Training >> Click 2016 under Numbered Letters.
2. Validate both the NPI and Medicaid Provider ID number in fields 12.A. and 12.B. on the MSA 2565-C. If either are incorrect, resubmit a corrected MSA 2565-C to the case worker.
3. In cases of a CHOW, submit a **revised** MSA 2565-C for all current Medicaid residents (per Letter L 16-16, dated April 28, 2016, which provides additional information on the revised Medicaid enrollment checklist for a CHOW) and a **new** MSA 2565-C for all newly admitted Medicaid residents. Enter the new owner's NPI in field 12.A. and the new owner's Medicaid Provider ID in field 12.B. The effective date of the new NPI must also be entered in the NPI field on the MSA 2565-C.
4. Contact the case worker and request the status of the MSA 2565-C.

Any questions regarding this letter should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. An e-mail submission must include your name, affiliation, and phone number so contact can be made if necessary. Providers may phone toll-free at 800-292-2550.

Sincerely,



Chris Priest, Director
Medical Services Administration