MSA
MEDICAL
SERVICES
ADMINISTRATION

Bulletin

Michigan Department of Community Health

Bulletin Number:	MSA 07-22
Distribution:	All Providers
Issued:	April 25, 2007
Subject:	MDCH Contingency Plan for NPI Implementation; New MDCH Edits for Validating NPI; B2B Testing Process For NPI; NPI Pharmacy Compliance Plan; Verification of Beneficiary Eligibility
Effective:	As Indicated
Programs Affected:	Medicaid, Children's Special Health Care Services, Adult Benefit Waiver, Maternity Outpatient Medical Services, Plan First!, Children's Waiver, and Children's Serious Emotional Disturbance Home and Community-Based Services Waiver

On April 2, 2007, the Centers for Medicare and Medicaid Services (CMS) announced the option for covered entities not fully able to comply with the National Provider Identifier (NPI) regulations by May 23, 2007 to develop a contingency plan to allow continued acceptance of legacy provider identifiers on Health Insurance Portability and Accountability Act (HIPAA) transactions. The purpose of this bulletin is to inform providers of the Michigan Department of Community Health's (MDCH) contingency plan for NPI implementation and supersedes NPI related claim completion instructions previously issued in Bulletins MSA 07-02, MSA 07-09, and MSA 07-13.

MDCH CONTINGENCY PLAN FOR NPI IMPLEMENTATION

Effective May 23, 2007, MDCH will implement an NPI contingency plan for Fee For Service (FFS) claims submitted to the Program. The plan will be in effect until October 1, 2007. The NPI compliance plan for pharmacy claims, as outlined in Bulletin MSA 07-17, remains unchanged. Further information related to pharmacy services is provided later in this bulletin. For encounter claims, NPI compliance plan documents are posted on the MDCH website at www.michigan.gov/mdch >> Providers >> HIPAA >> Health Plan Materials.

During the contingency plan period for FFS claims, MDCH will continue to require both the NPI and Medicaid legacy provider numbers to be reported in any applicable provider loop or field (e.g. billing, rendering, servicing, etc.) within the dental/professional/institutional claim formats. (Pharmacy claims are excluded from this requirement.) Claim adjudication will be based on the existing Medicaid legacy ID number until October 1, 2007. Informational edits will be generated to inform providers of missing or invalid NPI numbers reported on claims but will not delay or reject payment. A provider's Taxpayer Identification Number (TIN) will also be used for claim adjudication. The Implementation Guides for each of the standard HIPAA transactions must be followed when submitting electronic claims to MDCH. A supplemental guide for submitting key provider information to MDCH is posted on the MDCH website at www.michigan.gov/mdch. To locate the document, click on "Providers" and then "National Provider Identifier (NPI)".

MDCH currently accepts the ADA 2006 paper claim, and will begin accepting the UB 04 effective May 23, 2007. These forms will accommodate reporting both NPI and Medicaid legacy ID numbers. Because MDCH acceptance of the CMS 1500 [8/05] has been delayed until June 1, 2007, paper claims for professional services submitted prior to June 1 must report only the Medicaid legacy ID number. The Program continues to recommend the electronic submission of claims to avoid delays in payment.

CLARIFICATION OF TYPE 1 (INDIVIDUAL) VS. TYPE 2 (GROUP) NPIs

A Type 1(Individual) NPI is the number associated with an individual healthcare professional (e.g., MD, DDS, CRNA, etc.). The individual may be a sole proprietor or be employed by a clinic, group practice, or other organization. If a sole proprietor, the Type 1 NPI must be reported in the Billing Provider loop or field of the claim for payment.

A Type 2 (Group) NPI is the number required for organizations such as clinics, group practices, and incorporated individuals who provide health care services, and receive payment. For MDCH, the group NPI must be reported in the "Billing Provider" loop or field. Also for dental and professional claims, the appropriate Type 1 (Individual) NPI of the specific provider performing the service must be reported in the "Rendering Provider" loop or field for proper claim adjudication. Do not enter the Type 2 (Group) NPI as the "Rendering Provider".

MDCH NPI EDITING ON PRIMARY AND SECONDARY PROVIDER FIELDS

Primary Fields
MDCH NPI editing will be applied to the primary provider fields for claims submitted either on paper or electronic formats. The three primary provider fields are the billing, pay-to, and rendering/attending providers. The NPI must be reported as the primary provider identifier within these provider fields on the dental/professional/institutional claim formats if applicable.

MDCH will require the billing and rendering providers to be enrolled with the Program. To register a Type 2 (Group) NPI to meet this enrollment requirement, refer to the Michigan Medicaid Single Sign-on (SSO) application at https://sso.state.mi.us.

Special consideration will be given for Type 1 (Individual) rendering health professionals who are currently not enrolled by MDCH and do not receive direct payment by MDCH, but render care through the delegation of services by an enrolled physician or dentist. (The enrolled physician or dentist must report their NPI as the billing provider on the claim for payment.) Other licensure and/or certification requirements as mandated by the State of Michigan will still apply. For more details regarding the delegation of physician services, refer to the Practitioner Chapter of the Michigan Medicaid Provider Manual.

Secondary Fields
All other provider fields are considered secondary providers. MDCH will not require the secondary providers to be enrolled with the program, but a valid NPI must be reported in all applicable secondary fields if known. ***It is the responsibility of the referring/ordering provider to share their NPI with the provider performing the service.*** The referring/ordering provider identifier is a requirement for claim payment for specific programs such as laboratory, consultation and/or non-emergency ambulance services. For additional guidance on existing claim requirements, please refer to the Reimbursement Chapter of the Medicaid Provider Manual related to each claim format.

NPI VALIDATION EDITS (EXCEPT PHARMACIES)

During the transition phase for NPI, providers were instructed to verify their NPI with the Provider Enrollment (PE) files to assure a proper crosswalk from their legacy provider ID number. Effective May 23, 2007, new informational edits will be implemented to validate the NPI and to ensure its direct relationship to the provider enrollment files within MDCH.

The following new MDCH edits and the related Group Code/Claim Adjustment Reason Code (CARC)/ Remittance Advice Remark Code (RARC) will be generated if the NPI reported on any of the three claim formats (dental, professional, institutional) does not validate with the PE files.

Edit 639 – Invalid or Missing Billing Provider NPI	**Edit 635** – Invalid or Missing Pay-To-Provider NPI	**Edit 636** – Invalid or Missing Rendering/Attending Provider NPI
Group Code – CO CARC – 16 RARC – N257	Group Code – CO CARC – 16 RARC – N280	Group Code – CO CARC – 16 RARC – N290

The referring/ordering provider NPI is required for specific programs such as laboratory, consultation and/or non-emergency ambulance services. The following MDCH edit will be generated within the professional claim format if the NPI is invalid or missing.

Edit 634 – Invalid or Missing Referring/Ordering Provider NPI
Group Code – CO CARC – 16 RARC – N286

REPORTING TYPE OF BILL AND TAXONOMY CODES FOR INSTITUTIONAL CLAIMS

For electronic institutional claims, a valid three-digit Type of Bill (TOB) code must be reported within the institutional 837 4010A1 claim format. For the UB 04 paper claim form, a valid four-digit TOB code must be reported with a leading zero in Form Locator 04. Claims submitted to MDCH with an invalid TOB code will be rejected for payment.

MDCH recommends that institutional providers who have a single NPI for their primary facility and its subparts report a taxonomy code on all claims submitted either electronically or by paper. Within the institutional 837 4010A1 electronic format, report the valid taxonomy code in provider loop 2000A (billing/pay-to-provider taxonomy code) for successful claim adjudication. For reporting the valid taxonomy code on the UB 04 claim form, use the Code-Code field.

BUSINESS-TO-BUSINESS TESTING PROCESS FOR NPI

Effective July 1, 2007, MDCH will begin the business-to-business (B2B) testing process for claims reporting only the NPI. This process will continue through the NPI implementation planned for October 1, 2007. B2B testing will allow authorized electronic billing agents to submit electronic test claims within the 837 4010A1 dental/professional/institutional versions to MDCH to ensure correct processing. All B2B testing will be processed using only the NPI logic. Test results reported back to providers will be in the 835 format. Further B2B testing instructions and updates are available on the MDCH website at www.michigan.gov/mdch , click on Providers >> Information for Medicaid Providers >> Electronic Billing >> 837 B2B Testing Instructions.

ELECTRONIC 835 4010A1 AND MDCH PAPER REMITTANCE ADVICE

Until October 1, 2007, MDCH will continue to report back the tax ID number as the primary provider identifier along with the Medicaid legacy provider number on the 835 remittance advice. On the MDCH paper remittance advice, only the Medicaid legacy provider number will be sent.

For pharmacies, the NPI will be reported on the 835 4010A1 by the MDCH Pharmacy Benefits Manager (PBM).

NPI PHARMACY COMPLIANCE PLAN

Until October 1, 2007, the MDCH PBM will allow the submission of the practitioner's Drug Enforcement Agency (DEA) number as the prescriber ID if the NPI has not been obtained.

For refills, the MDCH PBM will allow submission of the prescriber's legacy ID (DEA number) to be submitted on the claims until October 1, 2007.

The MDCH PBM will grant a 30-day override to allow the submission of the dummy DEA number as the prescriber ID, if the prescriber has not yet acquired a NPI.

The MDCH PBM will not reject the batch claims submitted by a Medicaid Health Plan (MHP) if the pharmacy's NPI is not transmitted in the Service Provider ID field. The cutoff date for accepting the pharmacy's National Council of Prescription Drug Program (NCPDP) number in the Service Provider ID field will be disseminated to MHP's at a future date.

The prescriber can contact the pharmacy via phone or fax to give them the NPI number for adjudication of pharmacy claims as an option from writing the number on the prescription.

VERIFICATION OF BENEFICIARY ELIGIBILITY

Effective October 1, 2007, providers must use their NPI number to be allowed access into the Medicaid Michigan Eligibility Vendor System (Emdeon - formerly called Medifax, Blue Cross/Blue Shield Web-DENIS, or AVRS (888-696-3510)) when verifying beneficiary eligibility. This NPI number must also be registered through the Michigan Medicaid Single Sign-on (SSO) application at https://sso.state.mi.us. HIPAA exempt providers are excluded and will continue to use the current process.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

Paul Reinhart, Director
Medical Services Administration