IMPORTANT REMINDER: Providers that currently bill the Managed Care Organizations (MCO) and have validated their NPI numbers with their MCOs MUST also register and validate their NPI number with the Department. Learn more about the registration process and requirements at http://www.dpw.state.pa.us/Business/NPIinfo/.

PURPOSE:
The purpose of this bulletin is to announce to providers the Pennsylvania Department of Public Welfare’s (DPW’s) procedures for billing with the NPI in accordance with the CMS NPI Contingency Plan, which provides health plans flexibility in the enforcement of the NPI initiatives including relaxing the criteria for mandatory compliance with the May 23, 2007 NPI implementation deadline.

SCOPE:
The bulletin applies to all providers enrolled in the Medical Assistance Program.

BACKGROUND:
As a result of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the federal Department of Health and Human Services (HHS) mandated the use of the National Provider Identifier (NPI) number, which is a standard unique identifier for health care providers. The federal mandate required that all HIPAA covered health care providers, whether they are individuals or organizations, must obtain an NPI number for use to identify themselves in HIPAA standard transactions as of May 23, 2007.
Medical Assistance Bulletin 99-05-13, entitled “Announcement of the National Provider Identifier Number”, issued June 10, 2005, announced DPW’s intent to implement the use of the NPI number. DPW has provided additional NPI information and updates to providers and other business partners through the NPI Information Section of DPW’s Web site, http://www.dpw.state.pa.us/Business/NPIinfo/, letters, meetings with provider organizations and NPI Provider QuickTips.

Further, Bulletin 99-06-14, entitled “Instructions for Registering Your National Provider Identifier (NPI) Number to the Department of Public Welfare (DPW)”, issued November 22, 2006 and effective December 18, 2006, provided information to providers on how to obtain an NPI number and how to register it with DPW, along with recommendations concerning obtaining NPI numbers for organizations with multiple locations or subparts.

Recently the Center for Medicare and Medicaid Services (CMS), announced their Guidance on Compliance with the HIPAA National Provider Identifier (NPI) Rule, which allows covered entities that have been making a good faith effort, to continue accepting legacy numbers without penalties or other consequences until May 23, 2008. In addition, each covered entity may define the specifics of its contingency plan or implement the NPI rule at anytime prior to May 23, 2008. However, the guidance sets forth that covered entities may not exceed their contingency plan beyond May 23, 2008.

**DPW CONTINGENCY PLAN:**

In response to the CMS announcement, DPW has designed its NPI contingency plan to mirror the recommendations made to CMS by the insurance industry and therefore allows for the use of the dual strategy.

As will most payors nationwide, DPW will require an NPI number in the billing and the rendering provider fields on HIPAA covered transactions no later than May 23, 2008. DPW will use the NPI number, and when appropriate, the taxonomy and the nine digit zip code (Zip+4) on the claim, to crosswalk to a legacy provider ID and service location. In order for a provider’s claim to crosswalk and process properly, it is vital that providers use only the NPI number, taxonomy and Zip+4 that they have registered for a service location. If they use any other combination of NPI number, taxonomy and Zip+4 claims could pay under a different service location than the provider intended or not pay due to the inability to crosswalk to any service location.

**CONTINGENCY PLAN FOR HIPAA ELECTRONIC FEE FOR SERVICE CLAIMS (FFS):**

Between May 23, 2007 to May 31, 2007 claims will continue to process as they are today using the legacy ID. DPW is encouraging all providers who choose to submit their NPI number to continue to submit their legacy ID associated with that NPI number. If DPW receives a claim with only the NPI number during this timeframe, the claim will suspend for one week until June 1, 2007 at which time it will be processed.
Beginning June 1, 2007 a Dual Strategy will be implemented. Claims may be submitted with the legacy ID, an NPI number only, or both (legacy number and NPI number) in the billing and rendering provider fields. If a legacy number is submitted on a claim, the claim will be processed using the legacy number.

At some point prior to May 23, 2008, DPW will begin to process claims using the NPI number. The provider will continue to have the ability to submit their legacy in addition to their NPI number; however the claim will pay using the NPI number that is registered and validated with DPW. Providers will be notified in advance of the change in processing logic.

Beginning no later than May 23, 2008, DPW will require all claims submissions to be fully compliant with NPI Final Rule.

CONTINGENCY PLAN FOR HIPAA PHARMACY (NCPDP) TRANSACTIONS:

National Council for Prescription Drug Programs (NCPDP) transactions do not support the use of dual strategy and can only allow one number to be submitted at a time. Therefore a provider can only submit either a legacy id or an NPI number, not both.

Between May 23, 2007 to May 31, 2007 claims will continue to process as they are today using the legacy ID. If DPW receives a claim with only the NPI number during this timeframe, the department will deny the claim. The provider will need to resubmit the claim using the legacy number.

Beginning June 1, 2007 to no later than May 23, 2008, pharmacy claims submitted using the NCPDP transaction will be processed using either the legacy ID or the NPI number. Pharmacy providers will have the choice to submit their legacy ID or their NPI number in the Service Provider ID Field (201-B1). In the prescriber ID Field (411-DB), providers can submit either the prescribing provider’s license number or the prescriber’s NPI number. Beginning no later than May 23, 2008, the NPI number will be the required provider number used in processing a claim.

TESTING YOUR NPI NUMBER:

DPW recommends that beginning June 1, 2007 providers (excluding pharmacy) send their HIPAA electronic transactions with their NPI number and their Legacy ID in order to validate that their NPI number (including taxonomy and Zip+4) is cross walking correctly to the appropriate legacy ID. For a transaction which fails HIPAA editing, DPW will forward notification of the failed transaction to the provider. If the transaction passes HIPAA edits the claim will be adjudicated. Providers can then determine whether the claim cross walked to the proper legacy ID by checking the 835 transaction or remittance advice.

HEALTHCARE PROVIDERS:

If you are a healthcare provider and use the standard Electronic Data Interchange (EDI) transactions that transmit health care data in standard formats that were adopted by HHS
regulations, the NPI number is the required provider identifier to be used no later than May 23, 2008.

In addition to the mandatory requirements for the implementation of NPI, DPW has evaluated the various options for transactions that are not covered by HIPAA and chosen those options that make the best business sense.

ATYPICAL PROVIDERS:
The Centers for Medicare & Medicaid Services (CMS) defines atypical providers as providers that do not provide health care. The definition of a health care provider is defined under HIPAA in Federal regulations at 45 CFR § 160.103. Taxi services, home and vehicle modifications, and respite services are examples of atypical services. Atypical providers may submit HIPAA transactions, but they do not meet the HIPAA definition of a health care provider and should not receive an NPI number.

Atypical providers are identified as service locations that provide only non-healthcare services, based on their provider type and specialty. These atypical providers will continue to use legacy IDs in all transactions submitted, including the HIPAA covered transactions listed in the following section.

A provider who bills for both healthcare and atypical services using the same 13-digit PROMISe ID (same service location number), is considered a healthcare provider for that service location, and must obtain an NPI number and register it with DPW. This NPI number must be used to bill both the healthcare and atypical services provided under this service location number. However, if all services provided under a specific service location are atypical, then an NPI number is not required.

If an NPI number was obtained for a service location that only provides atypical services, it cannot be registered with DPW and cannot be submitted when billing claims even on HIPAA covered transactions. DPW identified Atypical Provider Types and Specialties are listed on the DPW website at http://www.dpw.state.pa.us/Business/NPIinfo/.

TRANSACTIONS WITH DPW THAT REQUIRE USE OF ONLY THE NPI NUMBER AS A PROVIDER IDENTIFIER:
The following transactions are affected by the contingency timeframe and guidelines. After May 23, 2008 the NPI number is expected to be used as the provider identifier for all provider ID fields listed in the transactions below.

- 837 Professional billing transactions
- 837 Institutional billing transactions
- 837 Dental billing transactions
- 835 Remittance Advice
- NCPDP Version 5.1 Interactive billing transactions
- NCPDP Version 1.1 Batch billing transactions
820 Premium Payment for Insurance Products
834 Benefit Enrollment and Maintenance
270 Eligibility Request/271 Eligibility Response
276 Claim Status Request/277 Claim Status Response

PAPER TRANSACTIONS:
CMS 1500 paper claims submitted to DPW will require the legacy provider number as the primary identifier. DPW requests that healthcare providers enter an NPI number as a secondary identifier. CMS 1500 paper claims will be processed based on the legacy provider number submitted on a claim. Effective July 1, 2007 the new version (08-05) of the CMS 1500 claim form must be used for claims submission. Other versions of this form submitted for processing will be returned to the provider.

UB 04 paper claims submitted to DPW will require the legacy provider number as the primary identifier. DPW requests that providers enter an NPI number as a secondary identifier. UB04 claims will be processed based on the legacy provider number submitted on a claim. The UB-92 claim form will not be accepted for processing after May 22, 2007. Effective May 23, 2007 the UB-04 claim form must be used for claims submission. Any UB-92 claim forms received for processing from this date forward will be returned to the provider.

INTERNET:
All transactions submitted through DPW’s PROMISe internet site will accept only the legacy provider identifier. The current legacy ID, including service location, will continue to be the PROMISe internet login ID. All internet transactions will contain the legacy ID and service location associated with the login ID. Some transactions will also display the NPI number associated with legacy provider number, but will not permit changes to the NPI number.

PROVIDER ELECTRONIC SOLUTIONS:
Provider Electronic Solutions (PES) is the HIPAA compliant software that DPW provides free-of-charge to entities that submit health care transactions. Because the Provider Electronic Solutions software is used to transmit HIPAA covered transactions providers will need to add NPI numbers to the software.