State of New Mexico
Medical Assistance Program Manual
Supplement

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TO: ALL PROVIDERS PARTICIPATING IN THE NEW MEXICO MEDICAID
               PROGRAM

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**SUBJECT: PREPARING TO USE THE NATIONAL PROVIDER IDENTIFIER (NPI)
               AND NPI DEADLINES**

These instructions are the first of what will be a continuing series of instructions on how
Medicaid and other Medical Assistance providers must prepare to submit NPI numbers on their
claim forms.

I.   GENERAL INFORMATION

NPI Numbers - As part of the continuing federally required HIPAA standards, use of the NPI
number will become mandatory for all healthcare providers in May, 2007.

> **FAILURE TO USE THE NPI NUMBER
> ACCORDING TO THE DATES BELOW
> WILL DELAY PAYMENTS TO A PROVIDER.**

- Schools are not exempt. They must apply for an NPI number for the school and for each
  individual within the school system that currently has a Medicaid Provider ID number.

- Behavioral Health Providers are not exempt. Even though BH provider claims are paid
  by the statewide entity (ValueOptions), these providers must also register their NPI with
  ACS.

- Providers who participate in SALUD! Managed Care must also be aware of the
  instructions and dates from each MCO and comply with their instructions.

Taxonomy - Taxonomy is a 10 digit number that enables providers to indicate their type of practice and specialty on a claim form. Use of taxonomy and the NPI is mandatory on healthcare claims.

New Claim Forms - In order to implement these mandatory changes, federal government workgroups have designed new paper forms that accommodate NPI and taxonomy. Electronic 837 claim formats already accommodate NPI and taxonomy but may still require changes on the part of the provider to use those fields appropriately.

II. CRITICAL DATES

MAY 4, 2007 (FRIDAY) - Paper claims received by ACS after this date MUST be one of the following:

- HCFA/CMS 1500 format must be the CMS 1500 (08/05 version) that includes fields for the NPI and taxonomy. The NPI and taxonomy must be completed for the billing provider as well as the rendering providers identified on the claim lines.

- UB format must be the UB-04 version that includes fields for the NPI numbers and taxonomy. The NPI and taxonomy must be completed for the billing provider identified for the claim. Identify the Attending Physician with the NPI.

- Dental format must be the ADA 2006 form that includes fields for the NPI and taxonomy.

- Pharmacy format must be the Universal Drug Claim Form issued by the NCPDP that includes positions for the pharmacy NPI and taxonomy and NPI for the prescriber.

    All forms must be RED ORIGINAL FORMS. They CANNOT be photocopied or other duplicated forms. Copied forms will be returned to the provider.

    The date the claim is received by ACS, NOT the date of mailing or post mark, is used to determine if a claim must be submitted on the new format with all the required information. Claims received by ACS on or after Saturday May 5, 2007, MUST meet the new requirements.

    These requirements apply to all resubmitted claims and claims submitted for adjustments or re-consideration with correspondence. The new forms, NPI and taxonomy, and original red forms (not copies) must be used.

MAY 17, 2007 (THURSDAY) - Electronic claims received by ACS after this date MUST have the NPI number and provider Taxonomy.

- Claims received on or after Friday, May 18, 2007, meet the new requirements. Providers using PayerPath must also complete their claims using NPI numbers and taxonomy submitted after May 17, 2007.

III. CLAIM INFORMATION

<u>Preparing To File Claims Using An NPI Number</u> - Since a provider will not report the Medicaid ID number on the claim form after NPI is implemented, ACS will use the <u>NPI number</u>, the <u>taxonomy</u>, and if necessary the <u>ZIP code,</u> as reported on the claim form to determine the Medicaid ID number of the provider to whom payment is to be made.

The ZIP code will only be used to identify professional providers who have more than one location with the same NPI number and same taxonomy.

- **<u>ALL HEALTHCARE PROVIDERS MUST REGISTER FOR AN NPI NUMBER</u>** - This can be done online at https://nppes.cms.hhs.gov. Providers must state a taxonomy when registering for the NPI number. However, the provider is not restricted to using this same taxonomy when filing a claim if the provider has other types of claims and business.

    A provider may also request a paper form to register for an NPI by calling 1-800-465-3203. The paper registration process is slower than the online process. Allow a sufficient amount of time to get an NPI by this method.

- **<u>THE PROVIDER MUST REGISTER THEIR NPI NUMBERS WITH ACS</u>** - ACS is establishing a new feature on its web portal that will enable a provider to register their NPI with ACS, associating the NPI with an existing Medicaid ID number. The web portal's NPI registration feature will be available near the end of February. Your organization does not have to be registered as a web portal user in order to submit an NPI. However, you will be required to provide key identifying information in order to submit your NPI using the web portal. Provider organizations already registered as web portal users will NOT have to re-register in order to submit their NPIs. To register your organization as a web portal user now, go to the ACS web portal at https://nmmedicaid.acs-inc.com.

- **<u>INCLUDE TAXONOMY ON THE CLAIMS FOR BILLING AND RENDERING PROVIDER</u>** - Taxonomy is required on the claim when the NPI is used for the billing and rendering providers. It will be used by ACS to locate the appropriate Medicaid ID number when the provider has one ID number for two or more lines of business. For example, if a Home Health Agency also has a Hospice Medicaid ID number and a Private Duty Nursing Number, and the provider chooses to apply for only one NPI, different taxonomies are used by the provider to state when the claim is for Home Health, when it is Hospice, and when it is Private Duty Nursing. The provider is not restricted to using the taxonomy that was used to request an NPI number.

The Medical Assistance Division will be distributing a list of common taxonomy codes that we anticipate providers will use when filing claims.

- **INCLUDE THE ZIP CODE OF PHYSICAL LOCATION WHENEVER THE PROVIDER HAS ONE NPI FOR MULTIPLE LOCATIONS** - When a professional provider practices at multiple locations and has multiple Medicaid ID numbers in order to be paid different tax rates, it may not be possible for the provider to obtain different NPI numbers for each location unless each location constitutes a different entity such as a different group practice.

  The best alternative for a provider in this situation is to (1) work with the NM Taxation and Revenue Department to use just one tax rate as usually they allow a provider to use the tax rate of a billing or head office; or (2) obtain NPI numbers for each location when possible.

  If these alternatives are not possible, the billing provider ZIP code must be the ZIP code for the physical location which matches the Medicaid ID number for that location. For example, if an individual provider were an optometrist that has individual Medicaid ID numbers for practices in Santa Fe and Taos but only one NPI for both locations, in order to know which provider number to pay, the optometrist's claim would contain the NPI, the taxonomy, and then the ZIP code for either the Santa Fe or Taos location, depending at which location the service took place. The preferred alternative is for the provider to only retain one Medicaid ID number for the primary location and all claims paid at that tax rate.

  When the multiple locations are each individually certified or licensed, such as hospitals and nursing facilities for example, the Medical Assistance Division expects the provider to have NPIs for each location. See "Organizations, Corporations, Networks and Group Practices", below.

IV. SPECIAL CIRCUMSTANCES

Non-Health Care Providers May Be Exempt - Only "Atypical" providers (non-healthcare providers) may continue to file claims using their Medicaid ID Number but still must use the new claim forms. For New Mexico Medicaid purposes, the following "atypical" providers are exempt from obtaining an NPI and can continue to file claims using their 5 or 8 digit Medicaid ID number:

- PERSONAL CARE OPTION PROVIDERS
- HANDIVANS, TAXIS, MEALS AND LODGING PROVIDERS
- Some HCBS waiver providers may be exempt. See "Waiver Providers" below.

Organizations, Corporations, Networks And Group Practices - Take special note of the requirements for various types of organizations:

- Providers who form an "entity" such as a group practice, corporation, association, partnership, or other organization are able to obtain an NPI number for the "entity" as well as for the individual members of the group. If Medicaid payment is to be made to any business entity other than the individual provider, there must be separate NPIs for the practitioner(s) and the entity. Generally, a provider will need a separate NPI to correspond to each separate Medicaid ID number the provider currently has, unless the sole reason for more than one ID number is because the practitioner practices at multiple locations.

- Hospitals and nursing facilities are often owned by corporations that have similar facilities at several locations. In these situations, if the institutional providers are separately licensed and certified facilities, the New Mexico Medical Assistance Division expects the provider to obtain separate NPI numbers for each facility. This enables ACS to know which facility is billing for a service to assure the facility meets the federal requirements for license and certification.

- Each pharmacy must have an NPI number even if it is part of a chain or corporation that owns several pharmacies. Note that the pharmacy does not provide a taxonomy code for the prescriber, but must indicate the prescriber using the prescriber's NPI.

Multiple Types Of Service Under The Same Business - If a provider renders multiple types of service under the same business address and the same federal tax ID, the provider may choose to use just one NPI number.

- The use of a single NPI number is possible because the provider is required to supply "taxonomy" on the claim form. See section regarding filing claims using an NPI number.

- An example of multiple types of services is when a home health agency also renders hospice services. Currently the provider has a Medicaid ID number for home health services and one for hospice. However, the provider can use just one NPI number because the "taxonomy" stated on the claim by the provider will inform the Medicaid program who provided the service.

Practitioners Must "Share" Their NPI Number When Ordering A Service - It is important to understand when providers order services (such as lab and radiology), prescribe drugs, admit patients to hospitals, make referrals, etc., they must provide their NPI number to lab, pharmacy, hospital, or other provider. This is necessary because in many instances, the provider rendering the ordered or prescribed service or item must have the practitioner's NPI to file their own claim. In the past, Medicaid numbers or DEA numbers were often used in place of the NPI. Now the NPI number must be used.

Requesting Prior Authorization For A Service - When requesting a prior authorization or level of care determination from one of the contractors to the Medicaid program, the provider may request the prior authorization either under the Medicaid ID number *or* under the NPI number including the taxonomy which will be used when later filing the claim for the service.

Waiver Providers - If a HCBS waiver provider ONLY renders administrative services such as helping coordinate non-medical services; supports living arrangements (assisted, family, independent, supported, and environmental modifications), supplies home maker, respite or transportation services, the provider would be "atypical" and will not need an NPI number. Generally, however, a HCBS waiver provider will need to apply for and use an NPI, particularly if any of their services are provided by a licensed healthcare provider, such as an RN, an LPN, a therapist, etc.

One of the most important uses of the taxonomy will be when a provider has a single NPI number for both HCBS waiver services and non-waiver services. The provider must use different taxonomies to distinguish between the two kinds of claims. For waiver services the provider must use the taxonomy 174400000X (other service provider- specialist) in order to identify that the service is under the HCBS waiver. On non-waiver claims, the provider would use their normal healthcare taxonomy, such as "physical therapist", for example.

Some providers may offer a mixture of healthcare and non-healthcare services. In such cases, the NPI must be used, along with the proper taxonomy for each service.

Children's Medical Services Providers - Hospitals have sometimes been given a Medicaid ID number that begins with a "C" to use only for their claims for Children's Medical Services. Those numbers will be cancelled. The hospital should now bill with their regular hospital NPI number. The claim can still be recognized as a CMS claim because of the authorization number on the claim.

V.   ADDITIONAL ASSISTANCE

Training - ACS is conducting training about the NPI at their February general billing training seminars. Please go to the ACS web portal at http://nmmedicaid.acs-inc.com and click on "What's New" for the seminar schedule and other information. ACS will soon schedule trainings for filling out the new paper claim forms. Watch for announcements for these trainings in the mail, the RA Newsletter and at "What's New" on the ACS web portal.

Websites - The following are helpful websites you can visit to learn more about the NPI:
> http://www.cms.hhs.gov/apps/npi/01_overview.asp (CMS);
> https://nppes.cms.hhs.gov (NPPES web site with NPI application and lots of links);
> http://questions.cms.hhs.gov/cgi-bin/cmshhs.cfg/php/enduser/std_alp.php
> (FAQ - search on key word or phrase);
> http://questions.cms.hhs.gov/cgi-bin/cmshhs.cfg/php/enduser/std_adp.php?p_faqid=5967
> (FAQ & answers about sole proprietors and the NPI)

Check List

- □   Register for NPI
- □   Inform ACS of NPI number using website
- □   Prepare systems to (1) use new paper claim forms when billing on paper; and (2) report NPI, taxonomy, and ZIP code on paper and electronic claim forms
- □   Ask questions on special situations
- □   Attend ACS training sessions
- □   Develop the capability to bill electronically to minimize problems

Should you have questions on any NPI requirements, please contact ACS at: **1-800-299-7304 option 5 after you have entered your provider number.**

We appreciate your participation in the Medical Assistance programs.