

Dermatology Coding Alert

Discover Whether You Can Capitalize on 1-Year NPI Extension

CMS admits defeat, promises progress on NPI sharing

Good news: You'll have an extra year to prepare your national provider identifier (NPI) compliance.

Bad news: The extension may not be as great as it sounds, and you may not be able to, or want to, take advantage of it.

Better safe than sorry: Even though CMS has said it will give you an extra year's wriggle room on NPIs, other payers can start requiring them in May 2007.

"The current language of the policy does not give an extension to providers," says **Kyle L. Thomas**, founder of Great North Provider Services in Anchorage, Alaska. "If CMS is granting an extension to everyone (including providers), then they need to re-issue the policy with a clarified definition."

Providers Aren't at Fault

With less than two months left before crunch time, CMS decided to give you until May 23, 2008, to become NPI-only with all of your transactions. If you're not quite ready by May 23, 2007, you can implement a "contingency plan" to maintain your cash flow, CMS said in a release.

Why the change: CMS tried to make it sound as if providers weren't ready for the original deadline. But CMS was also behind on its obligations, said the Medical Group Management Association. CMS failed to issue a policy that would "facilitate the communication of NPIs," said MGMA president and CEO **William Jessee** in a release.

Without any CMS policy, providers didn't know how to obtain the NPIs of doctors who referred patients to them. The MGMA has posed a sample letter to request a referring doctor's NPI on its Web site at www.mgma.com, but CMS has been promising a "Data Dissemination Notice" on NPI-sharing for years now.

The lack of this CMS policy has "hindered industry efforts to meet the original compliance date," MGMA said.

To come: CMS promises it will soon make data available to help you develop "crosswalks" between old provider numbers and NPIs.

There are also non-Medicare third-party payers and clearinghouses that are not ready for this year's deadline either, experts say. This is another reason for the extended deadline.

Contingency Plans Are Key

CMS hasn't actually suspended the original May 2007 compliance date. Rather, the agency says it will have a relaxed enforcement regime until May 2008. CMS will focus on "obtaining voluntary compliance" and will only enforce the NPI requirement in response to complaints.

What to expect: If CMS receives a complaint before May 2008 that you haven't implemented NPIs yet, CMS will notify you in writing. Then you have a chance to show that you're in compliance, document your "good faith efforts" to comply, or submit a corrective action plan. CMS will look at NPI compliance on a case-by-case basis.

CMS will judge your "contingency plan" based on whether you've increased external testing with "trading partners," and

whether your providers have actually obtained NPIs.

CMS will determine "on a case-by-case basis whether reasonable cause for the noncompliance exists and, if so, the extent to which the time for curing the noncompliance should be extended," the agency says in its contingency plan guidance.

What should you do?: How can you ensure that if there's an NPI compliance complaint filed you'll pass the extended deadline criteria? You should create your contingency plan now using these key strategies: Write a letter to all of your payers and your clearinghouses asking them for their contingency plans and when they're going to be able to accept the new NPI numbers. Be able to show that you're performing regular follow-up with all your payers and clearinghouses to ensure you keep on top of when they'll be compliant with NPI requirements.