Eli's Rehab Report

Get Up to Speed on the New CMS-1500 Form

Make sure your software is ready to handle the changes

Just when you think you're prepared for the National Provider Identifier (NPI) conversion, there's another hurdle to clear. You'll soon be faced with a new CMS-1500 Health Insurance Claim Form.

Deadline: By April 2007, you'll have to use the new form to accommodate the new NPI numbers. In addition, a few small, non-NPI-related changes were made "to accommodate special needs," the National Uniform Claims Committee (NUCC) says. The changes include:

- The bar code at the top of the form was removed.
- Box 17a was shortened. You'll use this box for ID numbers other than an NPI.
- Box 17b was added. You'll put the referring physician's NPI in this box.
- Shaded lines were added to Box 24. This change accommodates NPIs and other ID numbers during the transition period and also allows you to report supplemental information, the NUCC says.
- In Box 24C, "Type of Service" was changed to "EMG." This is a payer-specific emergency indicator.
- Boxes 32 and 33 were divided into two boxes to accommodate the NPI. Don't miss: In boxes 32 and 33, it is the first part -- "a" --of the box that you'll use for the NPI number, and box "b" is for other provider ID numbers. This is the opposite of boxes 17 and 24i, in which the NPI goes after the other provider ID numbers.

Update Your Software

Thinking ahead, you'll want your software ready beforehand so it can correctly print your claims. Accommodating new data fields and allowing for printing adjustments "will likely be a very costly change for billers and providers because some software vendors will use this as an income avenue," says **Cyndee Weston,** executive director of the American Medical Billing Association.

Best bet: Talk to your software vendor or clearinghouse as soon as possible. Find out how it intends to address the changes and when you can expect upgrades to occur. Even better, get a timeline from your vendor in writing to ensure that it delivers when it says it will.

Luckily, if you work with a clearinghouse, you may not have to update your software as quickly as if you submit claims on your own. "Once the new format is required by the carrier, it should still not be necessary for a biller to send claims to the clearinghouse in the new format," says **Gary Lindsay,** president of Lindsay Technical Consultants Inc., a clearinghouse in North Mankato, Minn.

Hidden trap: Even if you depend on a clearinghouse, there could be times when you need to drop to paper, and your CMS-1500 form would be incorrect if you don't update it now. You should test the new form before the final deadline, Weston says. "Billers should not expect the supplemental data fields to work properly on their EDI claims without some glitches."

If you use a clearinghouse, ask it what plans it has in place to handle your claims if systems are not updated by the time

you're required to begin using the new CMS-1500 form. "In spite of what HIPAA says regarding dates the new format is required, I suspect not all carriers will be ready to accept the new format on the date mandated by HIPAA. The clearinghouse will have to know which carriers accept which format and print the claim accordingly," Lindsay says.

Know These Critical Dates

CMS stated in Transmittal 1058, released on Sept. 15, that the new 1500 form implementation will be effective Jan. 1, 2007. The new CMS-1500 form will be available to use starting Jan. 1, but you won't be required to use the new form until April 2, 2007. According to CMS, during this transition period, carriers will accept both current and revised forms. After April 2, you may only use the new CMS-1500 form. This includes any resubmission of bills that you need to handle after April 2.

"It's a good thing that the drop-dead date for the new form has been moved to April 2007. I think that will help a lot of software developers in buying them time to make the required upgrades to their programs," Weston says.