

Eli's Rehab Report

NPIs ~ Providers Breathe a Little Easier With 1-Year NPI Extension

But extra leeway may be a trap with other payers

You have an extra year to get up to snuff with your national provider identifier (NPI) compliance if you haven't already. With less than two months left before crunch time, the Centers for Medicare & Medicaid Services decided to give you until May 23, 2008, to become NPI-only with all 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 press release.

But 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 enforce the NPI requirement only in response to complaints.

Important: If CMS receives a complaint before May 2008 that you haven't implemented NPIs yet, the agency 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.

Don't Take Any Chances

Although CMS has said it will give you an extra year's wiggle room on NPIs, other payers can start requiring them in May 2007, according to **Martin Jensen**, chief operating officer and chief analyst with Health IT Transition Group in Tulsa, Okla.

"It's already happening," Jensen says. "Delaware's Medicaid program instituted an NPI-only system in early May. Providers were warned, but they weren't prepared."

Other Medicaid programs, however, have said they won't be ready to accept NPI numbers this May at all.

Bottom line: Despite the mixed messages, "everyone should have his or her numbers -- there are no excuses for not having numbers yet," says **John Wallace, PT, OCS**, CEO of BMS Reimbursement Management in Claremont, Calif.

Others agree. "I'm not having my providers take any chances," says **Kyle Thomas**, founder of Great North Provider Services in Alaska. "I'd rather be overprepared" than unprepared, he says.

Gear up for Electronic Glitches

But even if you are prepared, you'll have to face "a large number of initial electronic claim rejections," Thomas says. Some health plans are already asking providers to keep including legacy numbers as well as NPIs on all claims. Others, like Medicare Part B carrier Noridian, still haven't explained their electronic claim requirements.

"The largest headache is going to come when we have to format our claims with our clearinghouse so they send the correct information to the insurances," Thomas says.

For now: Roll with the punches. "Use the numbers the way your payers instruct you," Wallace says. "There are possibilities of rejections, so people should be diligent about reviewing their clearinghouse acceptance reports," he says.

Don't miss: Providers can't be fully prepared for NPIs until CMS explains how they can obtain the NPIs of referring physicians, Jensen says.

And some of your referring physicians may not even have NPIs this summer, now that they know they have another year to obtain them. Some providers are holding off obtaining NPIs until they know how CMS plans to share them, he says.

If you have already set up your billing systems to use only NPIs, you may have some headaches dealing with payers and other providers who won't be ready, Jensen says.

But the biggest challenge for system designers happens "when multiple trading partners move between different stages of compliance according to their own independent schedules."

Best bet: Follow up with your payers one to two weeks after submitting claims to be sure they are "in the system" and being processed, Wallace says.