

NPI Contingency:

CMS recently announced a contingency plan for the implementation of NPI, which could last up to one year. General information about the CMS contingency plan:

- The “Contingency Plan” is an “Enforcement Guidance” that allows covered entities (providers, payers, etc.) that have been making a good faith effort to comply with the NPI rule, to continue the use of legacy provider numbers on HIPAA transactions via a “Contingency Plan” that could last up to 12 months, without penalties or other consequences.
- The Enforcement Process is complaint driven. If a complaint is filed against a covered entity, HHS will evaluate the entity’s “good faith efforts” to comply and not impose penalties on covered entities that have deployed contingencies to ensure that the smooth flow of payment continues.
- Each entity determines and defines the specifics of its contingency plan, which may not extend beyond May 23, 2008.

IME will be fully ready to accept NPI on May 23, 2007. However, in order to accommodate potential provider contingency plans, the IME:

- Is preparing to accept either NPI or Medicaid legacy provider number on all electronic and paper claims from May 23, 2007 through May 23, 2008.
- IME will still implement the 1 check / 1 NPI policy on May 23, 2007 but only for claims that are submitted to IME with an NPI (see Info Letter 525).
- Claim payment will be based on the type of provider number that was submitted on the claim:
 - If NPI is submitted on the claim, it will pay to the NPI
 - If legacy number is submitted on the claim, pay to the legacy number (even if the provider has verified their NPI with IME)
 - If both NPI and legacy are submitted on the claim, pay to the NPI

New form implementation and grace period:

All new versions of the various claim forms used by the IME will be implemented on May 23, 2007. This includes the UB04 (institutional), CMS 1500 08/05 (professional), 2006 ADA (dental) and Form 470-2486 Targeted Medical Care Claim revision date 3/07 (for waiver services).

However, a grace period for all currently accepted versions of these forms will be extended through August 31, 2007. On and after September 1, 2007 any claims not submitted on the updated form will be returned to providers.

However, this grace period includes one exception: the new form must be used beginning on May 23, 2007 for the submission of “J-codes” (for physician administered drugs) along with the NDC reporting requirement. This involves only the UB 04 and CMS 1500 08/05.

NDC Updates:

NDC Implementation delayed until May 23, 2007. In order to give providers a little more time to adjust their systems to accommodate the use of NDC, IME will delay the NDC implementation to May 23, 2007. NDC will only be accepted on the new claim formats (UB04 and CMS 1500 08/05).

NDC 10 to 11 digit conversion. It should be noted that many NDCs are displayed on drug packaging in a 10-digit format. Proper billing of an NDC requires an 11-digit number in a 5-4-2 format. Converting NDCs from a 10-digit to 11-digit format requires a strategically placed zero, dependent upon the 10-digit format.

The following table shows common 10-digit NDC formats indicated on packaging and the associated conversion to an 11-digit format, using the proper placement of a zero. The correctly formatted additional "0" is bolded in the following example. Note that hyphens indicated below are used solely to illustrate the various formatting examples for NDCs. **Do not use hyphens when entering the actual data.**

10-Digit Format on Package	10-Digit Format Example	11-Digit Format	11-Digit Format Example	Actual 10-Digit NDC Example	11-Digit Conversion of Example
4-4-2	9999-9999-99	5-4-2	0 9999-9999-99	0002-7597-01 Zyprexa 10 mg Vial	0 0002-7597-01
5-3-2	99999-999-99	5-4-2	99999- 0 999-99	50242-040-62 Xolair 150 mg Vial	50242- 0 040-62
5-4-1	99999-9999-9	5-4-2	99999-9999- 0 9	60574-4112-1 Synagis 50mg Vial	60574-4112- 0 1