

PC-ACE Pro32 Stage 3 National Provider ID Implementation & Testing Guide

5/10/2007

System Designs, Inc (SDI) has made numerous changes in the April and July 2007 releases of PC-ACE Pro32 in preparation for Stage 3 of the National Provider ID (NPI) phased implementation. The intent of this technical note is to describe how these changes will impact distributors and users, and to present some guidance for distributors who will be testing PC-ACE Pro32 in anticipation of the Stage 3 start date.

IMPORTANT: We strongly encourage all PC-ACE Pro32 distributors to perform thorough testing of these Stage 3 NPI changes before distributing the July 2007 release. Careful attention should be given to the new NPI requirement edits and the handling of legacy identifiers in the ANSI-837 transaction file.

Summary of Stage 3 NPI Product Changes

The following list summarizes the major PC-ACE Pro32 changes to support Stage 3 and Stage 4 of the phased NPI implementation:

- ❖ The start dates for Stage 3 and Stage 4 are now programmable. This provides the flexibility necessary to respond to NPI implementation schedule changes. Enhancements included in the July 2007 release further allow separate start dates for primary providers (billing, rendering, pay-to) versus secondary providers (attending, referring, etc.).
- ❖ Numerous claim and provider reference file edits have been added and/or modified to automatically apply the correct NPI requirement rules based on these programmable Stage 3/4 start dates.
- ❖ A flexible mechanism has been implemented in the claim prepare and claim print modules to control suppression of legacy IDs during Stages 2/3/4 as required by the payer. This feature permits compliance with Stage 3/4 legacy ID reporting rules without requiring users to delete legacy IDs from their provider and/or physician reference files. This benefit is especially important to users who import claims into PC-ACE Pro32 since the NPI may not be available in the import file. PC-ACE Pro32 will continue to accept legacy IDs on claim import files and lookup the required NPI values from matching records in the provider and physician reference files.
- ❖ Two special pseudo NPI values "EXEMPT" and "SMALL" are now accepted as valid on claims and on the provider, physician and facility reference files. Providers, physicians and facilities who are not eligible to receive NPIs should enter "EXEMPT" when an NPI is required by the edits. Small health plans who are not required to report NPIs during Stage 3 should enter "SMALL" to reflect this status. These pseudo NPI values provide an elegant approach to handling "atypical" service providers and other entities who are not bound by the mainstream NPI reporting rules. Note that these pseudo NPI values will never be reported in the ANSI-837 output files or on printed claims. They are simply placeholder values designed to eliminate the need for numerous and unforeseeable edit exceptions relating to NPI reporting.

Entering The Provider's NPI Into PC-ACE Pro32

The provider reference files on existing PC-ACE Pro32 installations will already be configured with the provider's legacy ID in the "Provider ID/No." field. Providers who have received their NPI should simply enter this number in the separate "NPI" field. The following screenshot excerpts depict the relevant fields configured per this recommendation ...

The screenshot shows two separate form sections. The top section contains a text box labeled "Provider ID/No." with the value "200002" and a dropdown menu labeled "LOB" with the value "MCA". The bottom section contains a text box labeled "NPI" with the value "1234567893", a button labeled "Extended Info", and a text box labeled "Provider ID/No Type" which is currently empty.

SDI does **not** recommend that the NPI be entered in the "Provider ID/No." field for provider records that were originally setup with a legacy ID. Replacing the legacy ID can lead to claim import problems, and will make researching or reactivating previously transmitted claims more difficult. The fact that legacy IDs may remain on the provider records (and even claims) has no bearing on the Stage 3 compliance of the ANSI-837 electronic files or printed claims generated by the program (read on to understand the legacy ID reporting options).

It may be appropriate to enter only the NPI for new providers added to PC-ACE Pro32 after Stage 3 implementation begins. Certainly, this is the case if the provider was never issued a legacy ID in the first place. Be mindful that the provider's legacy ID, if it exists, may still be needed if claims for this provider will be imported into PC-ACE Pro32 from another program (which may not have the ability to output NPI values). The following screenshot excerpts depict how an NPI-only provider would be setup ...

The screenshot shows two separate form sections. The top section contains a text box labeled "Provider ID/No." with the value "1234567893" and a dropdown menu labeled "LOB" with the value "MCA". The bottom section contains a text box labeled "NPI" with the value "1234567893", a button labeled "Extended Info", and a text box labeled "Provider ID/No Type" with a small icon of a crossed-out box.

It is acceptable, but not necessary, to duplicate the NPI value in the "NPI" field in this NPI-only configuration. The program will also allow the "NPI" field to be left empty to save keystrokes.

These two approaches for entering the NPI in the provider screen will produce identical results in the ANSI-837 output file.

Stage 3 NPI Testing Guide

In response to the recently announced NPI contingency plan, most PC-ACE Pro32 builds are currently configured with a Stage 3 start date of 5/23/2008 (the end of the contingency period), and a Stage 4 start date of 11/23/2008 (arbitrarily chosen 6 months after the Stage 3 start date). These start dates will undoubtedly change as CMS establishes a revised NPI implementation schedule. Since these start dates relate to the submission/receipt of the ANSI-837 transaction files, the service dates represented on the claims in your test files should be irrelevant. SDI offers the following recommendations for testing the Stage 3 NPI changes.

Edit Testing

The current Stage 2 NPI edits require that a Medicare legacy ID be submitted for all primary/secondary providers and service facilities. This requirement is irrespective of whether or not the provider's NPI is also being transmitted. Other payers have generally followed these same WEDI guidelines which encourage submission of "dual" identifiers during Stage 2 of the phased implementation. Providers are being encouraged to enter their NPIs into PC-ACE Pro32 as soon as they are received. Transmission of both the provider's legacy ID and NPI during Stage 2 has facilitated the creation of internal crosswalk databases to be used by payers once Stage 3 is implemented (and legacy IDs are no longer allowed). Effective on the Stage 3 start date, the following edit changes will go into effect automatically:

- Primary providers (billing, rendering, pay-to) setup in the provider reference files will be required to have an NPI in either the "NPI" field or the main "Provider ID/No." field (with ID Type = "XX"). This requirement will be enforced in two places: (a) a fatal edit will be reported when an attempt is made to save a new/modified provider record if the NPI is not present ; and (b) a fatal edit will be reported when saving any claim which references a billing/rendering provider that doesn't have the NPI setup in the provider reference file. In this latter situation, the user will be required to correct the problem in the provider reference file and then reprocess the claim.
- Secondary providers (attending, operating, other, referring, etc.) will also be required to report an NPI in any billing scenario where a legacy ID was formerly required. Users will identify the NPI in recurring field sets by entering "XX" in the ID Type field. Fatal claim edits will enforce this NPI requirement. The Stage 3 start date for secondary providers can be configured independently of the primary provider's Stage 3 start date, if needed. The ability to configure these start dates separately was added in the July 2007 release. Note: Secondary provider NPIs which are set up in advance on the Physician reference file will automatically populate into the claim during lookups (hand-keyed or imported claims).
- The Stage 2 requirements for legacy ID reporting will expire automatically on the Stage 3 start date. Legacy IDs will no longer be required on claims or the provider reference file.

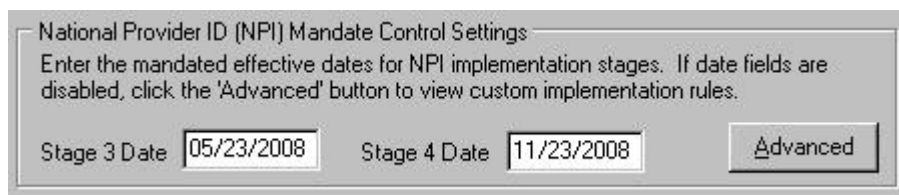
Here are a few related operational notes concerning these edit changes:

1. The reality of NPI is that there will always be "atypical" providers and other entities who for various reasons are either not eligible to receive an NPI, not required to request an NPI, or have been given an extension to comply with the NPI mandates. It would be virtually impossible to edit for all the possible exceptions to the NPI requirement rules. Instead, we decided on an approach which allows the user to tell the program when an NPI exemption is in effect. Users should be instructed to simply enter the pseudo NPI value "**EXEMPT**" instead of a valid NPI if the entity is exempt from NPI reporting. Use the pseudo NPI value "**SMALL**" for small health

plans and other entities that don't have to comply until the Stage 4 start date. The program will accept the pseudo NPI values "EXEMPT" and "SMALL" during Stage 3, but only "EXEMPT" will be allowed during Stage 4. Note that these pseudo NPI values exist only to simplify editing, and will not be reported in any electronic or printed output file produced by the program.

2. While legacy IDs are no longer required during Stage 3 (and may even be rejected by some payers), it is still acceptable to include these legacy IDs on PC-ACE Pro32 claims and reference files. A flexible filtering mechanism has been implemented which controls when, if ever, these legacy IDs are to be reported on ANSI electronic files or printed claims produced by the program. This feature insures compliance without requiring the user to make changes to their reference files when Stage 3 is implemented. It also greatly eases the transition for users who import claims into the product, since the older systems producing the import files will almost surely continue to report legacy IDs in these files.

The simplest way to test the Stage 3 NPI requirement edits (and to get familiar with the pseudo NPI values) is to temporarily accelerate the Stage 3 start date. This change can be made from a normally-hidden tab in the PC-ACE Pro32 preferences screen. From the program's main toolbar, select the "File" and "Preferences" menu items, and log in when prompted. Type the ampersand "&" (i.e., "<SHIFT>7") character and select the "System (2)" tab. You will see the following control group on this tab ...



Simply change the "Stage 3 Date" field's value to the current date and click the "OK" button to save the change.

Note: If the "Stage 3 Date" field is disabled (grayed out) on your installation, then the NPI mandate rules defined on your custom build are somewhat more complicated. We recommend that you contact SDI for assistance before proceeding. However, if you're up for the challenge, then go ahead and click the "Advanced" button and see if you can figure out on your own how to change the Stage 3 start dates from this advanced configuration screen. You may also need to access the advanced configuration screen if the Stage 3 start date for secondary providers has been configured to occur later than the primary providers' Stage 3 start date. The date shown on the "System (2)" tab reflects the Stage 3 start date for primary providers.

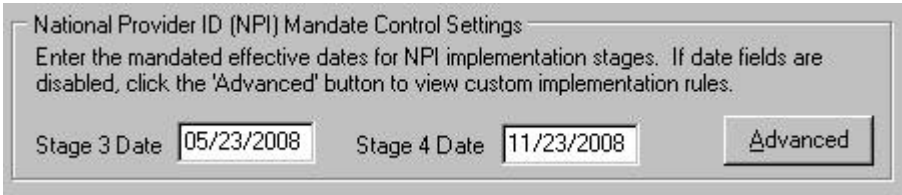
Upon exiting the Preferences screen, you will be prompted to exit and re-execute the program when any change to these NPI mandate settings has been made. Please follow these instructions in order to avoid confusion. Once you re-execute the program, the claim and reference file edits should behave as if you are already in Stage 3 of the phased NPI implementation. You may change the Stage 3 start date back to the original mandate date at any time to return to Stage 2 editing rules.

Legacy ID Testing

Feedback from our distributor customers over the past few months concerning their Stage 3 legacy ID reporting requirements has led us to the realization that there just isn't one set of rules that apply to everyone. As such, we have implemented a flexible mechanism which gives distributors significant control over when to report and when to suppress legacy IDs during the Stage 2/3/4 phases. The report-vs-suppress rules are configured separately for primary providers (billing, rendering, pay-to, and ordering for DMERC claims) and secondary providers (all other providers and service facilities). The decision can also be based on whether or not an NPI is being reported for the particular provider/facility. The standard Stage 3 configuration will report legacy IDs only when an NPI is not being reported. This configuration is based on SDI's interpretation of the relevant CMS mandates, FAQs, and related correspondence. SDI will work closely with our distributor customers during the July 2007 build cycle to define exactly how you need these legacy ID reporting rules defined for your various lines of business.

Note: The program defines a legacy ID as an identifier that would normally be reported using the ANSI qualifier defined for the specific claim's line of business. The common LOB-specific ANSI qualifiers are "1C" for Medicare claims, "1A" for Blue Cross claims, "1B" for Blue Shield claims, "1D" for Medicaid claims, "1H" for TRICARE claims, and "G2" for Commercial claims. In addition, the program will always consider identifiers with qualifier "1G" (UPIN) as a legacy ID. Any identifier that would be reported with a qualifier other than those mentioned above will NOT be suppressed by the legacy ID filtering logic. This behavior is necessary in order to insure that certain required identifiers unrelated to the NPI implementation are still reported (e.g., license numbers, location numbers, etc).

If you are interested in experimenting with the legacy ID reporting options, you may do so by changing the pre-configured settings and observing how these changes affect the ANSI-837 and/or printed claim output. Legacy ID reporting changes can be made from a normally-hidden tab in the PC-ACE Pro32 preferences screen. From the program's main toolbar, select the "File" and "Preferences" menu items and log in when prompted. Type the ampersand "&" (i.e., "<SHIFT>7") character and select the "System (2)" tab. You will see the following control group on this tab ...



National Provider ID (NPI) Mandate Control Settings
Enter the mandated effective dates for NPI implementation stages. If date fields are disabled, click the 'Advanced' button to view custom implementation rules.

Stage 3 Date Stage 4 Date

Click the "Advanced" button to display the advanced NPI mandate "rules" configuration screen. If your build is configured for both Institutional and Professional claims processing, you will need to select the desired claim type before continuing. Each entry in this list represents an NPI handling rule. The current standard configuration defines only two rules which apply to all claims. The first rule is the "Stage 3" rule and the second is the "Stage 4" rule. Double-click an NPI handling rule to view its properties. Here's an example of the standard Stage 3 rule ...

The "LOB" and "Payer ID" fields are blank to indicate that the rule is valid for any LOB/Payer combination. The rule's Start Date is "05/23/2008" and End Date is "11/22/2008". This date range corresponds to the presumed Stage 3 period which begins when the NPI contingency plan ends (followed immediately by Stage 4 on 11/23/2008). This rule will be applied to all claims edited and prepared for transmission during the Stage 3 period. Note that additional rules could be added for specific LOB or LOB/Payer combinations, if necessary. The program will honor only the rules that most specifically match the claim's LOB/Payer combination. The checkboxes on this screen define the specific settings for this NPI rule. In this example we see that this is a "Stage 3" only requirement (note that "Stage 4" options are unchecked), and that legacy IDs should only be reported on primary and secondary providers that do not have an NPI to report. The legacy IDs will be automatically suppressed in all other situations. The last option determines whether or not to report the legacy IDs from provider records which are "associated" with the billing provider record. Our recommendation is to always leave this option unchecked. Make any desired changes to the legacy ID reporting options and click the "OK" button **three times** to save the changes and exit the preferences screen. ***Make sure to close and re-execute the program before testing your changes.***

It is also possible to create a Stage 2 rule to initiate a change in legacy ID handling prior to the Stage 3 start date. For example, a distributor might choose to begin suppression of legacy IDs on a scheduled date during Stage 2 in order to insure all internal processing systems are operational in advance of the actual Stage 3 start date. Simple leave the NPI requirement options for both Stage 3 and Stage 4 unchecked to create a Stage 2 rule. As with any NPI handling rule, the start/end date range must not overlap the date range for any existing rule for that specific LOB or LOB/Payer combination.

Finally, we have added a new "**Force Legacy ID**" field to the Institutional and Professional Provider Information forms (see "Extended Info" tab) to provide even greater Legacy ID reporting flexibility. Enter a "Y" in this field to bypass the Legacy ID reporting rules that would otherwise be in effect, and always report the Legacy ID for this provider without regard to the presence/absence of the National Provider ID. This new "Force Legacy ID" field is empty by default (same as "N" value), and should be left empty in most situations. The regulations state that Legacy IDs are never to be reported for primary providers once the NPI rule goes into effect. However, the new "Force Legacy ID" field

provides a mechanism for deviating from this standard practice when required. This new field was added in the April 2007 all-payer release (1.84.0.100). It is not included in the April 2007 FISS free software release (1.83.0.300).

Note: The ANSI-837 transaction files created with an adjusted Stage 3 start date will still report the current date in the ANSI header segment(s). We recommend manually editing these transaction files to advance the file creation date(s) beyond the actual Stage 3 start date if you plan to submit them into your claims processing systems for Stage 3 simulation testing. This approach is easier and much safer than advancing the computer's date/time setting before preparing the claims.

Conclusion

SDI is confident that these enhancements to PC-ACE Pro32 will greatly simplify the Stage 3 rollout for both our distributor customers and their providers. Let us know if you have any questions or comments concerning these changes.