

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>Myers</i>	DATE <i>5-1-08</i>
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DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>100560</i>		<input checked="" type="checkbox"/> Prepare reply for the Director's signature DATE DUE <i>5-8-08</i>	
2. DATE SIGNED BY DIRECTOR		<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____	
<i>Quick response... need by</i> <i>COB 5-12-08</i> <i>cc: Ms. Forkner Depo,</i> <i>Jacobs</i>		<input type="checkbox"/> FOIA DATE DUE _____	<input type="checkbox"/> Necessary Action

	APPROVALS <small>(Only when prepared for director's signature)</small>	APPROVE	* DISAPPROVE <small>(Note reason for disapproval and return to preparer.)</small>	COMMENT
1.				
2.	<i>*original attached</i> <i>Cleared 5/7/08, letter attached.</i>			
3.				
4.				

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite 4170
Atlanta, Georgia 30303-8909



April 30, 2008

Ms. Emma Forkner, Director
Department of Health & Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

Re: NPI Update Request – please respond by COB May 12th, 2008 *X*

Dear Ms. Forkner,

In previously issued regulations and guidance, the Centers for Medicare & Medicaid Services has stipulated that all covered entities must be in compliance with the National Provider Identifier (NPI) provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, by May 23, 2007, except for small plans, which must be in compliance by May 23, 2008. For a 12 month period after the compliance date (i.e., through May 23, 2008), CMS is not imposing penalties on covered entities that deploy contingency plans (in order to ensure the smooth flow of payments) if they have made reasonable and diligent efforts to become compliant and, in the case of health plans (that are not small health plans), to facilitate the compliance of their trading partners.

In the remaining weeks before the May 23, 2008 contingency period ends, CMS is completing its plans to transition to fully NPI compliant claims processing, including for Medicare crossover claims. Specifically, the Medicare COB Contractor (COBC) will crossover to Medicaid agencies those claims containing only an NPI. The COBC will stop transmitting Medicaid legacy provider identifiers in secondary provider identifier fields, effective May 23, 2008.

REQUEST FOR NPI CONTINGENCY PLAN UPDATES

To ensure continuity of services to Medicaid beneficiaries, CMS requests each State Medicaid agency to provide updated information on the steps being taken to ensure that processing of Medicare crossover claims for Medicaid payment, runs smoothly on and after May 23, 2008. Please provide written responses to the following questions:

- 1) Describe the steps your State will take to ensure that claims will continue to process through the Medicaid Management Information System once the COBC discontinues use of legacy provider numbers on crossover claims as of May 23, 2008. If your State is dependent on legacy provider numbers to process crossover claims, what additional measures will you take to process crossover claims in a timely manner?
- 2) What provider outreach will occur to ensure that providers and other trading partners meet the statutorily required deadline for compliance with NPI? Please describe specific steps your State will take if providers or other trading partners are unable to comply.

*Log: Myers
"Dir. Sign-off"
C: ET gull
10/08*

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Department of Health & Human Services
OFFICE OF THE DIRECTOR

Ms. Emma Forkner, Director
April 30, 2008
Page 2

- 3) Describe the steps your State is taking to ensure that access to care is not disrupted during the transition to fully compliant claims processing using the NPI.
- 4) Describe how your State will perform ongoing monitoring as NPI compliance evolves. For example, what situational factors will the State monitor to ensure transition to NPI does not disrupt provider payments or services, and use to identify areas for improvement?

The CMS NPI website is: <http://www.cms.hhs.gov/NationalProviderIdentifier/>

DUE DATE: Please send your response to Ms. Teresa DeCaro, Acting Associate Regional Administrator for the Division of Medicaid & Children's Health, CMS-Region IV, by no later than COB Monday, May 12th, 2008, at Teresa.DeCaro@cms.hhs.gov with a cc to Edward Gendron/CMSO/Baltimore at Edward.Gendron@cms.hhs.gov.

If you have any questions or need additional information relating to this request, please contact Mary Kaye Justis, Chief, Medicaid and SCHIP Policy Branch at 404 562 7417, or David Hinson, Systems Analyst, at 404 562 7411, or Barry Bruder, Systems Analyst at 404 562 7424.

Sincerely,



Jay Gavens
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St, Suite. 4120
Atlanta, Georgia 30303-8909



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April 30, 2008

Ms. Emma Forkner, Director
Department of Health & Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

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Ms. Emma Forkner, Director

April 30, 2008

Page 2

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The CMS NPI website is: <http://www.cms.hhs.gov/NationalProviderStand/>

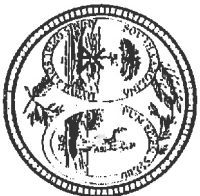
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Sincerely,



Jay Gavens
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations



State of South Carolina
Department of Health and Human Services

Log # 560

Mark Sanford
Governor

Emma Forkner
Director

May 7, 2008

Ms. Teresa DeCaro
Acting Associate Regional Administrator
Division of Medicaid & Children's Health
Centers for Medicare & Medicaid Services
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303-8909

Dear Ms. DeCaro:

This letter is in response to the April 30th request for NPI contingency plan updates. Questions in the April 30th letter and South Carolina Department of Health and Human Services' (SCDHHS) response are as follows:

- 1) Describe the steps your State will take to ensure that claims will continue to process through the Medicaid Management Information System once the COBC discontinues use of legacy provider numbers on crossover claims as of May 23, 2008.

Response: SCDHHS no longer processes automatic Medicare crossover claims for payment. In 2001, the policy regarding Medicare cost sharing was changed to limit reimbursement for cost sharing to the difference between the Medicaid allowed amount and the amount paid by Medicare. SCDHHS currently requires an NPI to process claims and will continue to do so following May 23, 2008.

- 2) What provider outreach will occur to ensure that providers and other trading partners meet the statutorily required deadline for compliance with NPI. Please describe specific steps your State will take if providers or other trading partners are unable to comply.

Response: SCDHHS has provided outreach to the provider community through the following avenues: Provider bulletins; targeted mailings, the most recent to notify providers that payments will not be made to legacy provider numbers following May 23rd, email campaigns; electronic newsletter; contact with provider associations; targeted phone calls to providers to obtain their NPI and to resolve NPI related billing issues; NPI warning edits on remittance advices; message on remittance advices and stuffers added to remittance advice. The SCDHHS web site has an NPI training presentation, reference information, contingency plan and online NPI registration for SC Medicaid.

Ms. Teresa DeCaro
May 7, 2008
Page 2

If providers or other trading partners are unable to comply with NPI requirements, the agency will consider their situation on a case-by-case basis and determine appropriate steps to assist the provider to be compliant. SCDHHS has no plans to continue payment by Medicaid legacy provider number for claims submitted after May 23, 2008.

- 3) Describe the steps your State is taking to ensure that access to care is not disrupted during the transition to fully compliant claims processing using the NPI.

Response: The steps that SCDHHS has taken to transition to fully compliant claims processing using NPI is as follows:

- Effective in May 2007, providers were allowed to submit claims with NPI or legacy. Providers could be paid by NPI or legacy.
- Claims submitted on or after March 1, 2008 must be filed including a valid NPI number. Payment is made to the NPI if a successful crosswalk to legacy is made. If not, the payment is made to the legacy number. There are approximately 3,000 (of the 34,000 typical providers enrolled with SC Medicaid) that are currently being reimbursed some or all of their payment by legacy number. In a letter dated May 2, 2008, SCDHHS notified these providers that they must take immediate actions to resolve NPI issues.
- SCDHHS will continue to monitor progress weekly and evaluate possible contingency plans to continue provider payments and access to care after May 23, 2008.
- SCDHHS continues to provide outreach to providers via phone calls, remittance flyers and contact with provider associations related to NPI compliance issues.

- 4) Describe how your State will perform ongoing monitoring as NPI compliance evolves.

Response: SCDHHS will continue to monitor daily claims submissions and weekly payment runs to ascertain the number of NPI only claims, the number of NPI edits assigned, the change in the number of claims approved and rejected, and the change in payments to typical providers.

SCDHHS is committed to working with our providers to ensure a smooth transition with NPI compliance. Please let me know if I can be of further assistance.

Sincerely,



Emma Forkner
Director

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

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*Quick response... need by
COB 5-12-08
cc: Mrs. Forkner Depo,
Jacobs*

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