
SD MEDICAL ASSISTANCE (SDMA)

May 2008

NPI: National Provider Identification Number

NPI: Continued

Effective May 23, 2008

As mandated by the Health Insurance Portability and Accountability Act (HIPAA) and in compliance with the Centers for Medicare and Medicaid Services (CMS), covered providers must have a **National Provider Identification (NPI)** number and share it with other providers, health plans, clearinghouses and other entities for billing purposes.

On May 23, 2008, the NPI number will be required in all billing transactions. All electronic and paper claims submitted after May 23, 2008 without NPI information identified in the appropriate fields will be denied or returned for correct submission. Also, only CMS 1500 professional claim forms and UB-04 institutional claim forms will be accepted on or after May 23, 2008 (forms not supplied by SDMA). For more information on professional claim forms, please view <http://www.nucc.org/> and for institutional claim forms, please refer to <http://www.nubc.org/>.

Health Care Providers who bill SDMA for services need an NPI, except for non-emergency community transportation servicers, who only transport ambulatory individuals--they will continue to bill SDMA with the seven digit SDMA provider number.

To apply for an NPI number, go online at <https://nppes.cms.hhs.gov/> or call 1-800-465-3203. For general information on NPI numbers refer to the website: www.cms.hhs.gov/NationalProvIdentStand.

When submitting NPI information, please consider how you are billing Medicare and/or SDMA. If an entity has been assigned various group NPI numbers for its subparts, then SDMA will need to know those group NPI numbers and associate those numbers with the matching SDMA seven digit Medicaid provider number.

If an entity has been assigned a group NPI number for the clinic and/or taxing entity (Federal Tax Identification Number), SDMA must know this **NPI group number and associate it with the individual NPI numbers assigned to the**

rendering/servicing provider of this clinic (except for rural health clinics, Federally Qualified Health Centers, Indian Health Service facilities and mental health clinics who only need to submit and bill a group NPI number. For these exceptions, individual rendering/servicing NPI will not be accepted).

Please note information on taxonomy codes: when an individual provider practices at multiple service locations, with the same zip code and same individual and/or group billing NPI number, SDMA requires a **unique taxonomy code** designated for that service location. This taxonomy code replaces the legacy provider number and must be indicated on the electronic and paper claim, along with the individual NPI number and group NPI, if applicable. If using a taxonomy code as a unique identifier, SDMA must be notified to update the provider file.

If experiencing difficulty with billing SDMA, it may be that the information submitted is not consistent with how Medicare is billed or that the NPI information is not on file for the provider. NPI information can be submitted to SDMA by email: medical@state.sd.us, by fax: 605-773-5246 or by direct mail at: Division of Medical Services, Provider Enrollment, 700 Governors Drive, Pierre, South Dakota 57501-2291.

For questions regarding NPI numbers, please call SDMA at 1-800-452-7691 or 605-773-3495.

NOTE: CMS 1500 Form

Providers: Please leave the top of the CMS 1500 form (above the numbered boxes) blank. We use this area to number and encode our claims. Any information, even provider number or address, interferes with our claims processing. If these fields are not blank, the claims may be returned so that the typing in this area can be covered. Thanks, SDMA.

Durable Medical Equipment (DME)

Rental vs. Purchase Guidelines

Durable medical equipment (DME) provided to a SDMA recipient should utilize the most cost effective approach based on the following guidelines to determine rental or purchase: purchase when the cost is less than \$200.00 (approx.) or when it has been prescribed for a recipient's long term use.

DME rental is appropriate when the equipment has been prescribed for six months or less and the cost is more than \$200.00.

The certificate of medical necessity (CMN) must be renewed if the equipment is needed after the first six months and every six months thereafter for continued rental, i.e. oxygen dispensing equipment. Rental of equipment is no longer covered when the recipient no longer uses the equipment. As stated in the Administrative Rules of South Dakota (ARSD), rental payments must be applied towards the purchase of the equipment. Once the allowable purchase price has been met, or twelve consecutive rental months have occurred without a break of three or more consecutive months, the equipment is considered purchased. Once the equipment is purchased, the provider may not submit additional claims for payment. Medical equipment purchased becomes the property of the SDMA recipient. Please refer to our website for more specific guidelines concerning rental vs. purchase options under the ARSD DME Chapter, 67:16:29.

Occupational Therapy

Effective August 2007, new services covered

In August, 2007, CMS approved a State Plan Amendment (SPA) which allows coverage of occupational therapy for adults. Previously, SDMA covered occupational therapy as a service for children only. As of September 1, 2007, occupational therapists enrolled as Medicaid providers can bill SDMA for services provided to adults.

School District Update

SDMA Information vs. Parental Consent Form

In late 2007, SDMA clarified that a signed Medicaid Information Forms (MIF), an acknowledgement of parental consent to receive school-based services, needs to be kept by the school district but it does not need to be kept directly with a student's Individual Education Plan (IEP). This language was clarified in a standard letter sent to schools regarding school-based services. This clarification came about when students transferred districts and it was thought inappropriate to transfer the MIP. When students transfer districts and an IEP changes, a new MIF must be obtained per Federal regulations 34 CFR 300.0 and 300.154.

The United States Department of Education has gone on record stating that school districts need to keep the signed parental notification forms on file as a record that parents have consented to accessing public funding for services. When an entity such as a cooperative is doing the billing, MIF needs to be on file in the student's home district.

The language once in question has been changed to the following: "Please be advised that each child receiving SDMA services must have a signed Medicaid Information Form on file in the district." It may be downloaded through the South Dakota Department of Education website at this address: <http://doe.sd.gov/oess/specialed/forms/index.asp>. Scroll down to and click on School Based Medicaid Information, then on the next screen click on Medicaid Information Form.

If you have any questions regarding this program please contact **SDMA** at **1-800-452-7691** or **605-773-3495**.

Absent Parent Indicator

Medical Resource Code 34 / A & O field

Effective in January, SDMA has changed the claims processing for SDMA recipients that list insurance through an absent parent: if the SDMA recipient file shows insurance through an absent parent, the claims will now be denied for insurance unless there is a child support case requiring a spouse to provide insurance for that child/children.

False Claims Act

New Policy Required

In June, 2007 CMS approved a State Plan Amendment regarding the False Claims Act. This SPA, a requirement of all the states by the Deficit Reduction Act of 2005, established a timeline and process whereby certain hospital, nursing, and other facilities receiving or paying over a certain dollar amount annually, must have in place a policy and education for their employees on false claims recoveries.

SDMA will be notifying qualifying entities as appropriate and each November thereafter. Entities have 30 days to respond with a policy in place and having disseminated the policy among their employees.

Entities out of compliance risk suspension of claims until they have assured SDMA of their compliance. Entities ultimately face termination of their provider agreement if they do not comply within 60 days of notification.

To date, all qualifying entities have complied with the provisions of this SPA and Federal law. More information can be found on the Division of Medical Services Provider Information webpage
<http://dss.sd.gov/medicalservices/providerinfo/falseclaimsrecovery.asp>.

SDMA PERM Participation 2008

PERM: Payment Error Rate Measurement

SDMA is participating in the PERM project required by CMS as a Year 3 State. This is a requirement of the Improper Payments Information Act of 2002. CMS will be using three national contractors to measure improper payments with SDMA. These contractors will perform all functions of the project from initial eligibility determinations to requesting medical records to calculating a state and national error rate.

If you receive a request for medical records from the PERM Contractor, Livanta, timely response to them including all applicable medical records for the specific claim(s) in question will save you time in the long run. It will eliminate burdensome follow-up calls and additional correspondence. Sampled claims not supported by required documentation will be considered in error and may be subject to recovery of the possible overpayments. Initial requests for medical records should begin around July or August 2008 and continue through April 2009.

SDMA Policy/Rule/Billing Change Updates

New Update Repository created

Please look for a new link showing policy, rule and billing updates on the provider information webpage: <http://dss.sd.gov/medicalservices/providerinfo/programs/PolicyRuleBillingUpdates%20.asp>. This link contains notices that were sent out by provider type with the effective dates of policy changes. This link also shows the previous administrative rules and the former billing manuals with notations in the updated rules and manuals to assist providers in easily following changes.

SD MIP REVIEW

MEDICAID INTEGRITY PROGRAM

The Federal Deficit Reduction Act of 2005 created the Medicaid Integrity Program (MIP) which dramatically increases both CMS's obligations and resources to combat fraud and abuse. The legislative requirements include the development of a comprehensive five year Medicaid program integrity plan, which includes contracts to conduct Medicaid provider oversight reviews, audits, identification of overpayments, and education. The MIP is currently in its second year of development.

SDMA is currently experiencing a MIP oversight review that began on Tuesday, April 29, 2008 and will continue through Thursday, May, 1st, 2008. A team of five members from the Medicaid Integrity Group are on-site with the SDMA staff assessing the effectiveness of South Dakota's program integrity efforts.

In addition, they will determine whether South Dakota's Program Integrity policies and procedures comply with Federal statutory and regulatory requirements. From this assessment the Medicaid Integrity Group will provide support in the form of technical assistance and fraud and abuse training. They will develop best practices, re-engineer state oversight protocol, develop state audit liaisons, and support the Medicaid Integrity Contractors procurement efforts in the area of provider reviews, audits and education.

If you have any questions regarding this program please contact the South Dakota Medical Assistance Program at 1-800-452-7691 or 605-773-3495.

Tamper Proof Drug Pads

Beginning April 1, 2008, the Centers for Medicare and Medicaid Services (CMS) mandates that all written prescriptions for Medicaid recipients must be written on Tamper Resistant Prescription Pads. More information can be found on the Division of Medical Services Provider Information webpage <http://dss.sd.gov/medicalservices/providerinfo/tamper-resistantrx.asp>

J-Code Claims

NDC code extension for CMS 1500 and UB Claim Forms

Beginning April 1, 2008, the Centers for Medicare and Medicaid Services (CMS) mandates that all J-code claims for **physician administered drugs** contain the NDC of the drug administered. This change is **effective July 1, 2008 for outpatient hospitals**. More information can be found on the SDMA Provider Information webpage at <http://dss.sd.gov/medicalservices/providerinfo/NDC.asp>

DSS Mission

To strengthen and support individuals and families by fostering independence and personal responsibility; protecting people; providing opportunities for individuals to achieve their full potential; and promoting healthy families and safe communities by ensuring quality, cost-effective and comprehensive services are provided in cooperation with our partners.