



DEPARTMENT OF SOCIAL SERVICES
DIVISION OF MEDICAL SERVICES
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ATTENTION: Health Department Clinics
FROM: South Dakota Medicaid
RE: ACA NPI Requirements

The South Dakota Department of Medical Services would like to take this opportunity to share errors encountered during South Dakota's most recent federal Payment Error Rate Measurement (PERM) audit. Please read the information carefully and update your billing practices as necessary to avoid future errors.

The PERM results highlighted that many providers are not including an Ordering or Referring or Prescribing Physician's National Provider Identifications (NPI) on the claim.

- A **Referring Physician** is a physician who requests an item or service for the beneficiary for which payment may be made under the Medicare program. **Ordering physician** is defined as a **physician** or when appropriate a non-physician practitioner who orders services for the patient. The individual (type 1) NPI belonging to the ordering or referring physician who is eligible to enroll as an individual provider with SD Medicaid (ex: MD or PA). **Prescribing physician** is a physician whose scope of practice is allowed to write orders for a prescription or supplies is required on ALL CMS1500 claim forms in box 17b.
- Any provider who writes orders or referrals must be an individual provider and their individual (type 1) NPI must **be on ALL CMS 1500 claim forms in box 17b.**

Please review the Professional Billing Manual for further details:
<https://dss.sd.gov/formsandpubs/docs/MEDSRVCS/professional.pdf>

A system edit will be in place later this year to ensure full compliance with this federal mandate, however providers should be enrolling and billing correctly at their earliest convenience.

If you have further questions, email Danette.Jacob@state.sd.us for assistance.

Thank you,
South Dakota Medicaid