

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

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## ADP BULLETIN

Title  <b>National Provider Identifier (NPI) Guidance for the Drug Medi-Cal Program</b>		Issue Date: April 10, 2007 Expiration Date: N/A	Issue No.  07-04
Deputy Director Approval  (Original signed by David Monti)  David Monti Acting Deputy Director Program Services Division	Function <input checked="" type="checkbox"/> Information Management <input type="checkbox"/> Quality Assurance <input type="checkbox"/> Service Delivery <input type="checkbox"/> Fiscal <input type="checkbox"/> Administration <input type="checkbox"/> Other	Supersedes Bulletin/ADP Letter No. N/A	

PURPOSE

This bulletin is intended to provide National Provider Identifier (NPI) guidance to counties and all Drug Medi-Cal (DMC) certified providers for the submission of DMC claims. Additionally, this bulletin is intended to encourage counties and all Drug Medi-Cal (DMC) certified providers to apply as soon as possible for an NPI. Information on requesting an NPI can be found at [National Plan and Provider Enumeration System \(NPPES\)](http://National Plan and Provider Enumeration System (NPPES) website) website at <https://nppes.cms.hhs.gov/NPPES/Welcome.doc>.

DISCUSSION

The California Department of Alcohol and Drug Programs (ADP) currently utilizes the DMC number as a proprietary identifier for DMC providers. The DMC number will be replaced by the NPI on all Health Insurance Portability Accountability Act (HIPAA) transactions. Current DMC transactions that are impacted include the 837 Professional Health Care Claim (837P) and the 835 Health Care Payment/Advice (835). The general rule for NPI use is that if a health care provider needs to be identified on a standard transaction then the provider must be identified using an NPI.

There are three primary scenarios that describe the various provider relationships for the DMC program. These are:

**County Operated Facilities (COFs)** - Counties which provide alcohol and other drug (AOD) treatment services at county owned and/or operated clinics.

**County Contracted Providers (CCPs)** – Those private, non-county operated/owned treatment providers that contract with counties to provide AOD treatment services.



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**Direct Contract Providers (DCPs)** - Those providers that have a contract with ADP to submit billing directly to ADP. These providers are not COFs and do not have a DMC contract with a county.

Each provider relationship scenario is described further in the Exhibit A, including a description of “Current” requirements compared to a description of the “NPI Compliant” requirements. This comparison allows counties and DCPs to see changes that must be made to achieve HIPAA NPI compliance for DMC billing.

The following table summarizes how ADP expects counties and all DMC providers to apply the use of NPI when submitting claims. The first column in the table describes the six *Provider Types* that are supported in HIPAA compliant claim transactions. The second column identifies if the *Provider Types* are required for billing DMC. If the *Provider Type* is not required it is also not supported by ADP. The next column describes how the *HIPAA Provider Types* relate to the *Typical DMC Provider Types*. Additional information is provided in the last column. The latter two columns should provide information on how to relate the various DMC program provider types to the specific *HIPAA Provider Types*.

**Table 1: HIPAA & DMC Provider Type Crosswalk**

HIPAA / X12 Provider Types	Required for DMC Billing?	Typical DMC Provider Type	Additional Comments
Billing	Yes	Entity that gets paid by State Controller’s Office (SCO)... e.g., county or DCP. Also known to ADP as the “Contractor”... which is the entity that ADP contracts with. This is never the CCP.	Billing is always equal to “Pay-to” so we never need the “Pay-to” loop... “Pay-to” information is established at SCO using contract information.
Pay-to	No	N/A	See Billing Provider Comment
Rendering	Yes	This is the person that provided service to the client. Also known to ADP as a “Counselor” or “Staff”.	Today the CCP, DCP, or the COF, is described as the “Rendering Provider” ... for NPI compliance the CCP and COF need to be called the “Service Facility Location”.
Service Facility Location	Yes	This is the certified facility that provides AOD DMC services. Also known to ADP as the “Provider”. This is a site location and not an individual (NPI Type 2 – Organizational Provider).	Satellite NPIs will be identified separately in the Service Facility Location provider fields as long as the services were rendered at a satellite site. CCPs, DCPs, and COFs can be “Providers”.
Referring	No	N/A	Not Supported
Other	No	N/A	Not Supported

ADP is following the recommendation from national standards group WEDI (Workgroup for Electronic Data Interchange) for the transition from proprietary provider identifiers (e.g., the DMC Number) to the NPI standard provider identifier. As a result, ADP will expect claims to contain both the DMC number and the NPI number during a "Transition Period".

Collecting both numbers allows ADP to create a "crosswalk" of DMC numbers to NPI numbers. This crosswalk is necessary to allow processing of claims by the current Short-Doyle Medi-Cal (SD/MC) claims adjudication system. The "NPI Processing Summary" (Exhibit B) describes how ADP intends to process dual identifiers (DMC number and NPI number) during and after the Transition Period. This process provides additional validation of NPI numbers that are provided by trading partners (counties and DCPs).

The following items are next steps that ADP requires for all DMC providers and trading partners:

1. Obtain NPIs for all Service Facility Location providers, Rendering providers, and Billing providers that are required to be identified on a DMC claim. To assist providers, the Centers for Medicare and Medicaid Services (CMS) have made an instructional tool available called the NPI Viewlet. This tool provides an overview of the NPI, a review of the NPI application and a link to the [National Plan and Provider Enumeration System \(NPPES\)](#) where the provider may obtain an NPI. The NPI Viewlet is available at [www.cms.hhs.gov/medlearn/npi/npiviewlet.asp](http://www.cms.hhs.gov/medlearn/npi/npiviewlet.asp).
2. DMC providers should maintain uniformity and consistency in obtaining NPIs. Uniformity guidelines encourage similar provider organizations (Treatment Centers, Clinics, etc.) to develop similar subparts for their organizations. Consistency guidelines encourage providers to bill similar services to all health plans with the same NPI. For example, Medicare should not be billed with one subpart and DMC with another subpart for the same type of service.
3. ADP is utilizing the WEDI recommended Dual Identifier strategy on 837P transactions to collect NPIs. ADP will be using the information provided to cross-reference Service Facility Location provider NPIs to corresponding DMC provider numbers. In order to validate the information is true and accurate, ADP is asking that you send a copy of the NPI Confirmation document received from CMS for all Service Facility Location providers which will be represented in claims. ADP will then enter this information into their Master Provider File. Documentation for NPIs issued for the rendering provider, known as the counselor or staff, is not required to be sent to ADP. Please send the aforementioned NPI documentation to the attention of Karen Woolley at 1700 K Street, Sacramento, CA 95814 or through fax at (916) 323-0653.
4. All HIPAA covered health care providers must obtain an NPI for use to identify themselves in HIPAA standard transactions. Covered entities must use only the NPI to identify health care providers in standard transactions after the Compliance

Deadline. Although the HIPAA NPI Compliance Deadline is currently May 23, 2007, ADP will be advising counties and all DMC certified providers of a new Compliance Deadline as well as when ADP will be able to accept the new claim format with dual identifiers.

5. ADP expects all counties and Direct Contract Providers to modify their claim transactions in accordance with ADP's Companion Guide for the 835/837 transactions (Version 1.10) during the "Transition Period" to be defined by ADP.

## REFERENCES

Title 45 Code of Federal Regulations, Part 162.

## BACKGROUND

The actions described within this bulletin are focused on bringing ADP and its trading partners into compliance with HIPAA requirements for DMC claims, including the use of standards for provider identification. Use of proprietary provider identifiers such as the DMC number will no longer be allowed after the Compliance Deadline.

## QUESTIONS/MAINTENANCE

If you have questions regarding this bulletin, please contact:

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916-327-9502 or [staketa@adp.ca.gov](mailto:staketa@adp.ca.gov)

An additional copy of this document may be requested through the Department's Resource Center at (800) 879-2772. This bulletin is also available on the Department's Web page at [www.adp.ca.gov](http://www.adp.ca.gov).

## EXHIBITS

- Exhibit A – Provider Relationship Scenarios
- Exhibit B – NPI Processing Summary  
[\(View Exhibits A and B\)](#)
- [Companion Guide for 837P and 835 Transactions](#)

## DISTRIBUTION

County Alcohol and Drug Program Administrators  
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## Provider Relationship Scenarios

Each provider relationship scenario below provides a description of “Current” requirements compared to a description of the “NPI Compliant” requirements. This comparison allows counties and DCPs to see changes that must be made to achieve HIPAA NPI compliance for DMC billing.

Each scenario is followed by a “Transaction Content Summary Table” that describes how an NPI compliant claim should be created. This table identifies the three key claim transaction “Segments” that employ the NPI:

- BILLING PROVIDER NAME
- RENDERING PROVIDER NAME (Loops 2310B or 2420A)
- SERVICE FACILITY LOCATION (Loops 2310D or 2420C)

The “Transaction Content Summary Table” describes the key data elements that will change (e.g., NM102, NM109, REF02). The revised 835/837 Companion Guide will provide comprehensive changes for NPI support. The scenarios and tables presented below for each scenario describe the expected data content for key fields during and after the “Transition Period” when ADP will be collecting both the DMC and NPI numbers.

There are three primary scenarios that describe the various provider relationships for the DMC program. These are:

**Scenario 1 - COFs:** Counties which provide AOD treatment services at county owned and/or operated clinics.

**Scenario 2 – CCPs:** Those non-county operated/owned treatment providers that contract with counties to provide AOD treatment services.

**Scenario 3 - DCPs:** Those providers that have a contract with ADP to submit billing directly to ADP. These providers are not COFs and do not have a DMC contract with a county.

## Scenario #1 - County Operated Facilities

For Counties which provide AOD treatment services at county owned and/or operated clinics, the following will apply:

<p><b>Current:</b> ADP holds a contract with the county for DMC services and each county operated program is issued a DMC Number for billing purposes.</p> <p><b>NPI Compliant:</b> DMC numbers will be issued only for internal use by ADP after the Compliance Date.</p> <p><b>Current:</b> In the 837 - Health Care Claims: Professional (837P) transaction, a county identifies itself as the Billing Provider using its Tax Identification Number (TIN) as its primary identifier, and its DMC number as a secondary identifier.</p> <p><b>NPI Compliant:</b> The county's NPI will be reported as the primary identifier. The DMC number will no longer be allowed as a secondary identifier. The county's TIN will be required as a secondary identification.</p> <p><b>Current:</b> The rendering provider, known as the DMC program counselor or staff, is identified by name only on the current 837P.</p> <p><b>NPI Compliant:</b> An NPI for the counselor must be provided on the 837P transaction as the primary rendering provider identifier.</p>
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The following Transaction Content Summary Table illustrates ADP's expectations of claim coding for COFs:

### Scenario #1 Transaction Content Summary Table

Data Element	Industry Name	Current Content	NPI Compliant Content
<b>BILLING PROVIDER NAME</b>			
NM102	Entity Type Qualifier	2	2 only... = non-person entity (indicates Type 2 NPI)
NM109	Billing Provider ID	SSN or TAXID	NPI for Billing Provider... Type 2
REF02	Billing Provider Additional ID	DMC Number	TIN
<b>RENDERING PROVIDER NAME (Loops 2310B or 2420A)</b>			
NM102	Entity Type Qualifier	1	1 only... = person entity (indicates Type 1 NPI)
NM109	Rendering Provider ID	SSN or TAXID	NPI for counselors and staff... Type 1
<b>SERVICE FACILITY LOCATION (Loops 2310D or 2420C)</b>			
NM102	Entity Type Qualifier	2	2 only... = non-person entity (indicates Type 2 NPI)
NM109	Laboratory/Facility ID	Not Used	NPI for Facility... Type 2 (May be the same NPI as Billing Provider when Billing & Service Provider are the same)
REF02	Laboratory/Facility Secondary ID	DMC Number	DMC Number (Element used to collect DMC Number during transition period only... Ignored after Transition End Date... and eventually denied) (Note... Do not be misled by the Industry Name... labs cannot separately bill DMC)

## Scenario #2 - County Contracted Providers

For Counties which contract with non-county operated/owned AOD treatment providers, the following will apply:

<p><b>Current:</b> County contracted providers submit their DMC billings for services to the county. The county compiles all of the providers DMC billings and submits them to ADP for processing. In the 837P transaction, the county provides its TIN as the primary billing provider identifier and a secondary identifier is not supplied for the county. The service facility's primary identifier is not required in the Current 837P, but the DMC number of the service facility is reported as the secondary identifier.</p> <p><b>NPI Compliant:</b> The DMC number will no longer be allowed as a secondary identifier. Instead, the service facility's NPI will need to be reported as the primary identifier. The TIN will need to be reported as the secondary identifier for the billing provider.</p> <p><b>Current:</b> The rendering provider, known as the DMC counselor or staff, is identified by name only on the current 837P. The counselor initials are crosswalked from the current 837P to the DMC claim. DMC claim processing does not require a primary or secondary identifier for the counselor or staff rendering services.</p> <p><b>NPI Compliant:</b> An NPI for the counselor must be provided on the 837P transaction as the primary rendering provider identifier.</p>
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The following Transaction Content Summary Table illustrates ADP's expectations of claim coding for CCPs:

**Scenario #2 Transaction Content Summary Table**

Data Element	Industry Name	Current Content	NPI Compliant Content
<b>BILLING PROVIDER NAME</b>			
NM102	Entity Type Qualifier	2	2 only... = non-person entity (indicates Type 2 NPI)
NM109	Billing Provider ID	SSN or TAXID	NPI for Billing Provider... Type 2
REF02	Billing Provider Additional ID	Not Used	TIN
<b>RENDERING PROVIDER NAME (Loops 2310B or 2420A)</b>			
NM102	Entity Type Qualifier	1	1 only... = person entity (indicates Type 1 NPI)
NM109	Rendering Provider ID	SSN or TAXID	NPI for counselors and staff... Type 1
<b>SERVICE FACILITY LOCATION (Loops 2310D or 2420C)</b>			
NM102	Entity Type Qualifier	2	2 only... = non-person entity (indicates Type 2 NPI)
NM109	Laboratory/Facility ID	Not Used	NPI for Facility... Type 2 (May be the same NPI as Billing Provider when Billing & Service Provider are the same)
REF02	Laboratory/Facility Secondary ID	DMC Number	DMC Number (Element used to collect DMC Number during transition period only... Ignored after Transition End Date... and eventually denied) (Note... Do not be misled by the Industry Name... labs cannot separately bill DMC)

## Scenario #3 - Direct Contract Providers

For those providers that hold a contract with ADP, and who submit billing directly to ADP, the following will apply.

**Current:** In the 837P transaction the provider is identified as the billing provider using its TIN as its primary identifier and its DMC number as a secondary identifier for the Service Facility Location.

**NPI Compliant:** The DMC Number will no longer be allowed as a secondary identifier. Instead, the provider's NPI will be reported as the primary identifier. The provider's TIN will be required as a secondary identification for the billing provider. If the billing and rendering providers are the same, Rendering Provider Name information is not necessary.

**Current:** If Billing and Rendering Providers are not the same, the Rendering provider, known as the DMC counselor, is identified by name. DMC claim processing does not require a primary or secondary identifier to identify the counselor.

**NPI Compliant:** An NPI for the counselor must be provided on the 837P transaction as the primary rendering provider identifier.

The following Transaction Content Summary Table illustrates ADP's expectations of claim coding for DCPs:

**Scenario #3 Transaction Content Summary Table**

Data Element	Industry Name	Current Content	NPI Compliant Content
<b>BILLING PROVIDER NAME</b>			
NM102	Entity Type Qualifier	2	2 only... = non-person entity (indicates Type 2 NPI)
NM109	Billing Provider ID	SSN or TAXID	NPI for Billing Provider... Type 2
REF02	Billing Provider Additional ID	Not Used	TIN
<b>RENDERING PROVIDER NAME</b>			
NM102	Entity Type Qualifier	1	1 only... = person entity (indicates Type 1 NPI)
NM109	Rendering Provider ID	SSN or TAXID	NPI for counselors and staff... Type 1
<b>SERVICE FACILITY LOCATION (Loops 2310D or 2420C)</b>			
NM102	Entity Type Qualifier	2	2 only... = non-person entity (indicates Type 2 NPI)
NM109	Laboratory/Facility ID	Not Used	NPI for Facility... Type 2 (May be the same NPI as Billing Provider when Billing & Service Provider are the same)
REF02	Laboratory/Facility Secondary ID	DMC Number	DMC Number (Element used to collect DMC Number during transition period only... Ignored after Transition End Date... and eventually denied) (Note... Do not be misled by the Industry Name... labs cannot separately bill DMC)

## NPI Processing Summary

The following “NPI Processing Summary” describes how ADP intends to process dual identifiers (DMC number and NPI number) during and after the Transition Period. This process provides additional validation of NPI numbers that are provided by trading partners (counties and DCPs).

### ***During Transition...***

- ADP will be collecting dual identifiers... see the 835/837 Companion Guide (version 1.10).
- ADP requires "Providers" (Service Facility Location providers - Type 2 NPIs) to provide a copy of their NPI Certification information from NPPES to ADP FMAB.
- No Certification information is required for Billing Provider or Rendering Provider NPIs.
- ADP will be using only the DMC Number for claim adjudication... a valid DMC Number is required (as is the case before Transition).
- NPI/DMC couplets for Service Facility Location (SFL) data will be collected passively by the translator... ADP will not reject claims based on any crosswalk information or conflict with prior couplets.
- ADP FMAB staff will be creating the "Production Crosswalk Table" (e.g., NPI to DMC) from the passive NPI/DMC couplets. The NPI Certification information is required to validate entry into this "production" crosswalk table.
- ADP FMAB will periodically report completion metrics for counties/DCPs that have provided NPIs via 837s and the Certification information for their SFL NPIs. This information will provide ADP the DMC/NPI crosswalk values and any outstanding issues.
- ADP will not be reporting NPIs to DHS... since the legacy SD/MC Claim Adjudication system at DHS does not use NPIs (which is why ADP translates NPIs to DMC numbers in the SD/MC claim format).

### ***After Transition...***

- ADP will expect a valid NPI (as reflected in the "Production Crosswalk Table") and will reject claims that do not provide a valid NPI.
- ADP will crosswalk the valid NPI to a valid DMC number and process the claim.
- DMC numbers in Claims will be ignored for a period of time (e.g., 6 months)... and then rejected afterwards.
- When CMS provides access to NPI data stores, ADP will probably provide additional validation of NPIs as the claims are initially processed by the ADP Translator.