



California
Department of
Health Services

SANDRA SHEWRY
Director



ARNOLD SCHWARZENEGGER
Governor

DATE September 8, 2006

MMCD All Plan Letter 06006

TO: All Medi-Cal Managed Care Plans

Subject: NPI Update

Reference All Plan Letter 06004, dated June 14, 2006

The purpose of this All Plan Letter is to provide an update on the status of the California Department of Health Services (CDHS) implementation of the National Provider Identifier (NPI) as it pertains to Medi-Cal Managed Care plans. The NPI Final Rule, established in accordance with Health Insurance Portability and Accountability Act (HIPAA) provisions, creates the NPI as the standard unique identifier for health care providers. This rule requires the use of the NPI on covered standard electronic transactions after the May 23, 2007, compliance date.

The CDHS must make major computer system changes to incorporate the NPI into our processes, databases and reports. A significant impact to the Medi-Cal Managed Care Division (MMCD), in particular, involves the reporting and processing of encounter data. CDHS has initiated efforts to update the encounter data formats submitted by plans with HIPAA related field changes, including adding a new 10 byte (character) field for the NPI.

For **users of the 35 File format** this means that the nine digit Medi-Cal provider number fields currently submitted will be retained and ten digit NPI fields will be added. There are additional fields under consideration to be added to this file format.

For **users of the encounter data file format** fields will be expanded such as Primary Diagnosis, Secondary Diagnosis, Tertiary Diagnosis, Beneficiary Name, Provider Zip Code, Inpatient Accommodation/Ancillary Field, Procedure Code, Medical O/P quantity, Drug/Medical Supply Code (previously Drug Code), and Provider Type. Fields needing to be added are Billing NPI, Billing Taxonomy Code, Referring/Prescribing NPI, Referring/Prescribing Taxonomy Code, Rendering NPI, Rendering Taxonomy Code, 1st Modifier, 2nd Modifier, 3rd Modifier, 4th Modifier, Procedure Indicator, Compound Drug Total Metric Quantity, and Compound Ingredient National Drug Code.

Below are the proposed expanded and new **encounter data format** fields.

ENCOUNTER DATA FIELDS TO EXPAND		
FIELD	FROM	TO
Primary Diagnosis	5 bytes	6 bytes
Secondary Diagnosis	5 bytes	6 bytes
Tertiary Diagnosis	5 bytes	6 bytes
Beneficiary Name	10 bytes	15 bytes
Provider Zip Code	5 bytes	9 bytes
Inpatient Accommodation/Ancillary Field	3 bytes	4 bytes
Procedure code field	5 bytes	40 bytes
Medical O/P quantity	5 bytes	11 bytes (Format 99999999.999)
New Name: Drug/Medical Supply Code Old Code: DE 45 Drug Quantity)	5 bytes	11 bytes (Format 99999999.999)
Provider type	2 bytes	3 bytes

ENCOUNTER DATA FIELDS TO BE ADDED	
FIELD	BYTES
Billing NPI	10
Billing Taxonomy Code	10
Referring/Prescribing NPI	10
Referring/Prescribing Taxonomy Code	10
Rendering NPI	10
Rendering Taxonomy Code	10
1 st Modifier	2
2 nd Modifier	2
3 rd Modifier	2
4 th Modifier	2
Procedure Indicator	1

ENCOUNTER DATA PHARMACY FIELDS TO BE ADDED	
FIELD	BYTES
Compound Total Metric Quantity	11 (Format 99999999.999)
Compound Ingredient National Drug Code	11

While a specific schedule for release of the new encounter format, testing and implementation has not been set, MMCD wanted to provide plans with an update of the

current status of this effort. The schedule will be provided to plans as soon as it is available.

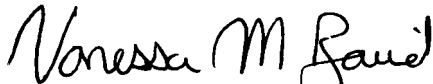
For additional information regarding the NPI and how to apply, please visit:
http://www.cms.hhs.gov/apps/npi/01_overview.asp

If you have not already done so, please identify a single point of contact for your health plan on the NPI. Please forward the contact information either electronically to Carrie Allison at CAllison@dhs.ca.gov, or by mail to:

Carrie Allison, Analyst
Policy Unit
Medi-Cal Managed Care Division
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P.O Box 997413, MS 4415
Sacramento, CA 95899-7413

If you have any questions regarding this letter, please contact Mr. Russ Hart, Chief of the Policy and Financial Management Branch, at (916) 449-5000.

Sincerely,



Vanessa M. Baird, MPPA, Chief
Medi-Cal Managed Care Division