MEDI-CAL UPDATE Part 2
Billing and Policy
www.medi-cal.ca.gov

Long Term Care

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Contents

Assembly Bill 1629 Rate Methodology Policy Update for Supplemental Schedules

The Department of Health Care Services (DHCS) is required to develop Medi-Cal cost-based, facility-specific reimbursement rates for Free-Standing Nursing Facilities Level B (FS/NF-Bs) and subacute care units of FS/NF-Bs pursuant to Article 3.8 (commencing with Section 14126) of Chapter 7 of Part 3 of Division 9 of the *Welfare and Institutions Code* (W&I Code) (added by AB 1629 of 2004). W&I Code, Section 14126.023, subdivision (g), authorizes DHCS to collect supplemental cost information to develop the rates.

In order to accurately identify their costs, FS/NF-Bs have been required to submit the *Administration Costs Supplemental Schedule* (Supplemental Schedule 1) and *Agency Costs for Indirect Care Services Supplemental Schedule* (Supplemental Schedule 2). For the rate year beginning August 1, 2009, it is the intent of DHCS to audit all FS/NF-Bs. The costs previously identified on Supplemental Schedule 1 and Supplemental Schedule 2 will be identified in the audited cost reports. Therefore, Supplemental Schedules 1 and 2 will no longer be required for the rate year beginning August 1, 2009, and thereafter.

However, if for any reason an FS/NF-B is not audited, Supplemental Schedules 1 and 2 will be required in order to calculate certain cost categories for each facility-specific Medi-Cal reimbursement rate. DHCS will contact all FS/NF-Bs that have not been audited no later than 30 days prior to the rate-setting deadline.

The voluntary *Capital Supplemental Schedule* will continue to be used to report costs associated with capital additions, improvements and replacements. The voluntary supplemental schedule and instructions will be available on November 15 of each year and located at:
www.dhcs.ca.gov/services/medi-cal/Pages/LTCAB1629.aspx.

The submission is due to DHCS no later than January 16, 2009, and on January 16 of each year thereafter.

Electronic Submission Required
It is critical that providers submit the voluntary *Capital Supplemental Schedule* to DHCS in a standardized electronic format and in a timely manner, but no later than January 16 of each year, by following these instructions:

- Download the *Capital Supplemental Schedule* in the prescribed Excel format from the DHCS Long Term Care System Development AB 1629 Web page located at:
  www.dhcs.ca.gov/services/medi-cal/Pages/LTCAB1629.aspx.
- Submit a completed version of the electronic *Capital Supplemental Schedule* to DHCS via an e-mail address created specifically for this document: **supp1629@dhcs.ca.gov**.
- Label the electronic file according to the posted instructions.

If electronic download and submission are **not** available to the facility; providers should call (916) 552-8613 for further instructions about transmitting this data.

Questions about the *Capital Supplemental Schedule* can be e-mailed to **supp1629@dhcs.ca.gov** or left as a voice mail message at (916) 552-8613.

Reminder: Use the NPI for All Claims and TARs Update

Effective for dates of service on or after October 1, 2008, the Department of Health Care Services (DHCS) is **only** accepting the National Provider Identifier (NPI) on all Medi-Cal and Child Health and Disability Prevention (CHDP) program claims. The **only** exceptions to this requirement for claims are "atypical" providers such as blood banks, Christian Science practitioners and Multipurpose Senior Services Program providers that will continue to use Medi-Cal legacy provider numbers.

Medi-Cal providers currently in the process of transitioning to the NPI may still have claims processed using the legacy number, but they must register their NPI with Medi-Cal and begin using it for all transactions immediately.

If a Medi-Cal legacy number has already been end-dated because of a successful NPI claim submission or the NPI transition deadline of October 1, 2008, claims must be billed using the registered NPI.

Effective November 1, 2008, Medi-Cal providers must use their registered NPI on all *Treatment Authorization Request* (TARs). NPIs registered with the DHCS Provider Enrollment Division (PED) can be used for all past and future dates of service. Providers were notified in the September *Medi-Cal Update* that all Medi-Cal legacy numbers would be end-dated effective October 1, 2008. As a result, the TAR system can no longer accept legacy numbers and will be rejected effective November 1, 2008. Therefore, TARs submitted with a legacy number will not be processed.

Providers should submit TARs using the NPI for dates of service rendered pre- and/or post-NPI implementation.

Medi-Cal field offices and Pharmacy sections will continue to correct TARs authorized with a legacy number until November 1, 2008, if providers receive a claim denial due to an NPI/legacy number mismatch.

Note: Providers **must** register their NPI in order for it to be successful for TARs and claims.

Providers can contact the Telephone Service Center (TSC) at 1-800-541-5555 to verify that their legacy numbers are properly cross-referenced to their NPI(s). After verifying that the cross-reference of legacy numbers to one or multiple NPIs is accurate, providers may need to update their NPI registration. To do so, providers should submit a *Medi-Cal Supplemental Changes Form* (DHCS 6209) to PED so the most current information will be on record.

For example, if a provider registers a different NPI or adds another NPI, the cross-referencing system may not contain any of the prior legacy number information required to link the claim to the TAR for accurate processing. Any NPI registration that is not current may result in claims being denied or rejected.

Secondary Provider Identifiers
In accordance with the NPI final rule, all secondary provider identifiers must be an NPI. When Medi-Cal providers fill out the secondary provider identifier fields on a claim, the billing provider should attempt to use the NPI of all secondary providers such as rendering, referring, or prescribing providers. Providers can obtain NPI information by reviewing the NPI Registry on the National Plan and Provider Enumeration System (NPPES) Web site or contacting the secondary provider directly.

Please see **NPI Reminder**, *page 3*

NPI Reminder *(continued)*

If all attempts to acquire the NPI for a secondary provider are not successful, providers should follow these instructions:

- The group provider's NPI must be entered into the *Billing Provider* field.
- The legacy number may be used for the *Rendering Provider* field.
- The legacy and/or license numbers may be used for the *Attending*, *Admitting*, *Operating*, *Referring* and/or *Prescribing Provider* fields.

Medi-Cal will **only** allow the use of legacy and/or license numbers in the claim form fields identified above while providers transition to the sole use of the NPI. The complete implementation of the NPI for secondary providers will be announced in a future *Medi-Cal Update*.

Crossover Claims

The NPI used to bill Medicare must be registered with Medi-Cal in order for the claim to cross over automatically or the claim will not be processed. If Medicare rejects a provider's claims for not using the NPI, the provider must resubmit the claim to Medicare. Medicare must process the claim before Medi-Cal can reimburse the crossover claim.

The TSC is available at 1-800-541-5555 to assist with NPI registration. Select language preference (option 11 for English; option 12 for Spanish), then select option 16 and then option 18.

Instructions for Manual Replacement Pages — Part 2

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Remove and replace: rate facil diem 5/6 *

* Pages updated due to ongoing provider manual revisions.