



P R O V I D E R B U L L E T I N

B T 2 0 0 0 3 6

D E C E M B E R 8 , 2 0 0 0

To: All Indiana Health Coverage Programs Providers

Subject: Overview of Billing and Rendering Provider Issues

Overview

The purpose of this bulletin is to define the difference between rendering and billing providers and provide education on the correct use of rendering and billing provider numbers when completing a HCFA-1500 claim form. The following issues are addressed in this bulletin:

- Definitions of rendering, billing, and group providers
- Correct billing procedures on the HCFA-1500
- Updating provider files
- Frequently asked questions about rendering and billing issues

Definitions of Rendering, Billing, and Group Providers

There are four distinct categories of providers. The categories are the following:

- Facilities
- Groups – Any practice with two or more practitioners sharing a common tax identification number is considered a group practice. The business itself must be enrolled as a group and each of the group member practitioners must be enrolled as rendering providers.
- Sole proprietors
- Group members (also called rendering providers)

Facilities, groups, and sole proprietors are billing providers and bill using their Indiana Health Coverage Programs (IHCP) provider

number. These providers bill the IHCP directly for services and receive payment directly from the IHCP through check or electronic funds transfer.

Group members or rendering providers must not bill the IHCP directly for services and should not receive payments from the IHCP.

Correct Billing Procedures on the HCFA-1500

- Enter the nine-digit *billing provider number* with the appropriate service location alpha suffix in Field 33 of the HCFA-1500 claim form. The provider number listed in Field 33 of the HCFA-1500 indicates to whom payment will be issued, under what tax identification number the payment will be reported, and to what address the payment will be mailed.
- Enter the *rendering* practitioner's provider number in Field 24 K.
- **Do not enter the rendering provider number in Field 33 or put more than one number in Field 33.** Claims submitted with multiple provider numbers in Field 33 will be returned to the provider for correction.
- If the provider is a sole proprietor who also practices as a member of a group, ensure that the IHCP number is used in Field 33 on the HCFA-1500. If a sole proprietor is to receive payment directly, then his or her individual IHCP provider number and appropriate service location must be entered in Field 33.
- Consult the *IHCP Provider Manual* for detailed instructions on completing the HCFA-1500 claim form.

Changes Required to be Reported

To maintain the accuracy of the provider enrollment file, EDS must be notified immediately of the following changes as they occur:

- Provider address
- Licensure
- Medicare number
- Addition or removal of a group member
- Tax ID number
- CLIA certificate
- Change of Ownership

Changes must be reported on company letterhead. The letter must be signed by an officer of the company and mailed to the following address:

**EDS Provider Enrollment Unit
P.O. Box 7263
Indianapolis, IN 46207-7263**

Note: Faxes will not be accepted.

These updates enable EDS to accurately process IHCP claims and direct correspondence to the correct address.

Billing providers (groups, facilities, and sole proprietors) are responsible for notifying EDS of any group member addition or change. Also, billing providers are responsible for ensuring that the rendering provider number for each of the group members is linked to all group service locations where the rendering provider performs services.

If EDS is not notified of changes in provider information, misdirected payments and unnecessary claim denials may occur.

Note: If a practitioner is enrolled as a managed care primary medical provider (PMP), the PMP (or PMP's group if a group member) must notify both EDS and the managed care network of any enrollment changes.

Frequently Asked Questions About Rendering and Billing Issues

Question **1. Why am I still receiving a remittance advice, check, or mail for a group member who is no longer with our practice?**

Answers A. The rendering provider for whom you are receiving mail has not been separated from your group in IndianaAIM. You must send an update letter on company letterhead containing the provider's separation date. The letter must be signed by an officer of the company and mailed to the following address:

**EDS
Provider Enrollment
P.O. Box 7263
Indianapolis, IN 46207-7263**

If you received a payment from the IHCP for a former member of your group, you must return the checks and remittance advices to the EDS Provider Enrollment Unit along with any forwarding address information for the provider.

Additionally, please inform providers leaving your practice of the need to update his or her enrollment files in the EDS Provider Enrollment Unit, as it is critical to preventing similar situations in the future.

Question **2. Why am I not receiving a remittance advice or check for claims that I billed?**

Answer A. If you have recently changed addresses, you must send an address update letter on company letterhead. The letter must be signed by an officer of the company and mailed to the following address:

**EDS
Provider Enrollment
P.O. Box 7263
Indianapolis, IN 46207-7263**

B. This also may be caused by the erroneous placement of a rendering provider number in Field 33 on the HCFA-1500. Please reference the *Correct Billing Procedures for the HCFA-1500* section for more information about the appropriate use of billing provider numbers in Field 33.

Question **3. Why are my claims being denied for Clinical Laboratory Improvement Amendments (CLIA) certification?**

Answers A. The Health Care Financing Administration (HCFA) requires that billing providers that bill lab procedure codes must have the following:

- A valid and effective CLIA certificate on file with the IHCP
- A certificate type that allows that type of testing

When billing providers do not have a valid and effective CLIA certificate on file with EDS, claims will be denied for edit 4207. If a provider has a CLIA certificate on file with EDS, then EDS will update that CLIA certificate information using HCFA's OSCAR database. Providers should always read CLIA-related information from the Indiana State Department of Health or HCFA very carefully to make sure the correct information is on file.

When providers bill a lab procedure code not covered under their certificate type, they will receive a denial for edit 4208.

HCFA has mandated that providers bill lab procedure codes covered under their certificate type. Bulletin *E98-16* featured a list of certificate types and the codes that can be billed under that certificate type. Visit the Indiana Medicaid Web site at www.indianamedicaid.com to access a copy of the bulletin.

If you have not provided EDS with a CLIA certificate, please send the certificate and an update letter on company letterhead. The letter must be signed by an officer of the company and mailed to the following address:

**EDS
Provider Enrollment
P.O. Box 7263
Indianapolis, IN 46207-7263**

If you have submitted a CLIA certificate, denials may be caused by the erroneous placement of a rendering provider number in Field 33 on the HCFA-1500. Please see the *Correct Billing Procedures for the HCFA-1500* section for more information about the appropriate use of billing provider numbers in Field 33. CLIA certifications are only loaded to billing providers. CLIA certifications are not loaded to a group member's number.

Question

4. When do I need to update my enrollment file?

Answers

A. Group

- When there is a group member who leaves or joins your group
- When there is a change in address for your pay to, mail to, service location, or home office
- When there is a change of ownership or change in a tax identification number
- When a group member's license expires, if the group is an out-of-state provider

B. Sole Proprietor

- When there is a change in address for your pay to, mail to, service location, or home office
- When there is a change of ownership or change in a tax identification number
- When there is a change in your license status or type
- When you moonlight with another office
- When you renew your license, if you are an out-of-state provider

C. Facility

- When there is a change in address for your pay to, mail to, service location, or home office

- When there is a change of ownership or a change in a tax identification number
- When there is a change in your license status or type
- When you renew your license, if you are an out-of-state provider

Claims Payment

- Question **5. Why did I receive a remittance advice or check with an individual provider's name on the RA or the check and the provider is a member of our group?**
- Answer This is caused by the erroneous placement of a rendering provider number in Field 33 on the HCFA-1500. Please see *the Correct Billing Procedures for the HCFA-1500* section for more information about the appropriate use of billing provider numbers in Field 33.
- Question **6. Can a group provider use individual provider numbers for billing so they can easily track who performs the service?**
- Answers A. No. Providers must bill under the group number for payment (Field 33) and can track which provider rendered the service with Field 24K on the HCFA-1500 claim form. This information is provided on the IHCP remittance advice.
- Question **7. Why are changes not made to provider enrollment files on a timely basis?**
- Answers A. If there are **no outstanding questions** regarding the change, EDS is required to make all updates within five business days from receipt of an update. Historically, EDS has maintained a 100 percent compliance with the requirement. However, in many cases, the Provider Enrollment Unit does not receive a provider's enrollment update because it is sent to the wrong address or because of an incomplete fax.

Do not send updates and enrollments through fax unless directed to do so by EDS. The Provider Enrollment Unit receives many incomplete faxes and does not receive some faxes because of line signal mishaps and insufficient fax memory capability.

Do not send address or provider updates to the EDS Claims Unit address. Providers **must send** all provider file updates to the Provider Enrollment Unit at the following address:

**EDS
Provider Enrollment
P.O. Box 7263
Indianapolis, IN 46207-7263**

- B. EDS Provider Enrollment receives some updates that cannot be processed as requested. The following are some of the most common reasons that updates are not processed as requested.
- The update was not received on company letterhead with an authorized officer’s signature
 - The update requested a change to the group member’s A service location. Updates are not made to the group member’s initial location unless the original group that owns that location is changing a name, address, or tax ID. New groups must request that the group member be linked to the group’s billing provider number. The group must bill with the group’s provider number in Field 33 and the group member’s provider number in Field 24k of the HCFA 1500 Form. A group member forming a sole proprietorship must request an enrollment application for a new location.
 - The update requested a change to a group member’s CLIA number or requested a CLIA number be added to a group member. CLIA numbers are only linked to billing provider numbers.
 - The update requested a change to a group member’s Medicare provider number and the Medicare number provided was for a billing provider. The Medicare billing number is associated with the IHCP group number and the Medicare rendering provider number is associated with the specific IHCP rendering provider. All Medicare rendering provider numbers end in one or more alpha characters.

Question **8. Why are my claims paying to the rendering provider when I placed both the group number and the group member’s number in Field 33 of the HCFA-1500 claim form?**

Answer Do not enter the rendering provider in Field 33 on the HCFA-1500. This field is reserved for the billing provider number.

Question **9. Why are my claims being paid to a location where I have not practiced for six months?**

Answers Do not enter the rendering provider in Field 33 on the HCFA-1500. This field is reserved for the billing provider number. If the rendering provider number is entered in this field, payments may be incorrect.