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INFORMATIONAL NOTICE

DATE: June 24, 2009
TO: All Participating Institutional Providers & Pay-To Providers (Payees)
RE: Elimination of the One-Digit Payee Code for Institutional Claim Submittals

Effective with claims received on or after August 1, 2009, the department will implement a dual process for reporting the payee in the 837I electronic format, Direct Data Entry (DDE) and the UB04 paper claim format. The dual process period will allow providers to transition from using the one-digit payee code to using the Pay-To Provider (Payee) NPI. The Pay-To Provider (Payee) NPI is only required when the Pay-To Provider is a different entity than the Billing Provider. This will allow time for providers to register with the department an NPI for each of their 16-digit Healthcare and Family Services (HFS) payee numbers.

Effective with claims received on or after December 1, 2009, the department will no longer accept the one-digit payee code and will begin using the Billing Provider NPI or the Pay-To Provider NPI to derive the payee for claims submitted in the 837I electronic format, DDE, or UB04 paper claim format. If a payee cannot be derived and a payee NPI is required to designate a payee, the claim will be rejected.

837I and Direct Data Entry (DDE) Claims

HIPAA guidelines state the use of the Pay-To Provider is situational, except when the Pay-To Provider is a different entity than the Billing Provider. The Pay-To Provider (Payee) NPI is reported in Loop 2010AB, NM109.

UB04 Paper Claim Format

The Payee NPI, which is registered to the appropriate 16-digit payee number, must be reported in Form Locator 02, Line 4.

The 16-digit payee number can be identified on the Provider Information Sheet generated by HFS. It consists of the nine-digit FEIN for the designated payee, the five-digit Zip code and a two-digit vendor ID number. Providers have the option of consolidating all active payee numbers into one single payee number. Providers who would like to consolidate their payees should contact the department's Provider Participation Unit at 217-782-0538.

Providers have the following options to report their NPIs:

- MEDI Web site at www.myhfs.illinois.gov
- The state's Web-based application at www.illinoisnpi.com
- Fax the Provider or Payee approval letter from the National Payee/Provider Enumeration System (NPPES) with the contact name and phone number to 217-557-8800
- Mail the NPPES approval letter with the contact name and phone number to:
Illinois Department of Healthcare and Family Services
Provider Participation Unit
P.O. Box 19114
Springfield, Illinois 62794-9114

Questions regarding this notice may be directed to the Bureau of Comprehensive Health Services at 1-877-782-5565.

/s/

Theresa A. Eagleson, Administrator
Division of Medical Programs