Correct Use of Rendering and Billing Provider Identification Numbers

Recently, we have received requests for clarification of application of Rendering and Billing Provider Identification Numbers on Medicare Advantage Claims/Encounters. The identity of both is critical, because risk adjustment is based on the rendering provider’s Specialty. You can find more information on this HCC University Tools Page.

Proper application of these numbers is critical, as it is required by CMS for processing of encounter data in their Encounter Data Processing System (EDPS). Below are instructions for correct application of the National Provider Identifier (NPI) Number(s).

Placement of the NPI(s)

If the practitioner rendering the service is part of a billing group (even two people), report the individual practitioner’s National Provider Identifier (NPI) in the Rendering Physician # area (2310B loop, segments NM108 [XX] and NM109 [NPI], of the 837P electronic claim or Item 24J of the CMS-1500 paper claim form).

A valid NPI is required for all rendering providers. If the NPI is missing, invalid, or submitted in the wrong area (e.g., valid NPI submitted in the upper, shaded portion of Item 24J), your encounters will be returned as unprocessable by the CMS Encounter Data Processing System (i.e., rejected), and the diagnoses cannot be used for risk adjustment. If the submitted billing provider is a group, and there is no rendering provider, the encounter will be returned as unprocessable by the CMS Encounter Data Processing System.

On the CMS-1500 paper claim form, report the NPI of the individual practitioner in the lower, non-shaded portion of Item 24J. Place no information in the upper, shaded portion of Item 24J or your claim will be returned as unprocessable.

If the rendering provider is an independent lab, ambulatory surgical center (ASC), independent diagnostic testing facility (IDTF), ambulance supplier, or a solo practitioner not associated with a billing group, a rendering provider identifier is not required in the Rendering Physician # area. Report the NPI of these types of providers in the 837P 2010AA Billing Provider loop, segments NM 108 (XX) and NM109 (NPI) of the electronic claim or Item 33a of the paper claim form.

These steps should help you ensure correct processing of your SCAN encounters. Have questions? Contact our Encounter Data team at Encounters_Operation@scanhealthplan.com.