
Program Memorandum Intermediaries/Carriers

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

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CHANGE REQUEST 2437

SUBJECT: Editing of the Healthcare Provider Taxonomy Codes (HPTCs) and Use of the HPTC Crosswalk

This Program Memorandum (PM) provides additional guidance to and modification of HPTC information previously provided. Subsequent to preparation of the original crosswalk between Medicare specialty codes and HPTCs, which was released by CMS on May 22, 2002, the National Uniform Claims Committee, the maintainer of the HPTCs, changed the last character of each of the approved codes. This led to questions concerning the extent to which Medicare contractors and standard system maintainers are expected to edit and maintain these codes, where such editing should occur, and whether different HPTCs received should be transmitted in coordination of benefit (COB) X12 837 outbound transactions.

A Notice of Proposed Rulemaking was also published in the **Federal Register** on May 31, 2002, that proposed a change to the requirement in the ASC X12N 837 version 4010 implementation guides adopted under the Health Insurance Portability and Accountability Act to no longer require reporting of taxonomy codes on incoming claims or COB transactions. This proposed guide changed the usage of the data element for taxonomy code to "situational". A final rule is expected to be published December 2002, which will provide final guidance on the use of taxonomy codes.

Although Medicare does not use the taxonomy codes, they are, however, placed in the data repository and forwarded on to COB trading partners. It has been reported that sole use of the HPTC crosswalk to produce taxonomy codes could adversely impact processing by a COB trading partner. Sole use of the crosswalk could result in reporting of different taxonomy codes for COB than received on the claim. This could impact the adjudication decision made by the COB trading partner.

Requirements for Carriers and Their Standard Systems

Effective with their April 2003 standard system release, carriers, DMERCs, and their standard systems must meet the following requirements related to HPTCs:

- Do not use the HPTC crosswalks to create 4010A1 COB files;
- Validate that taxonomy codes that have been submitted comply with both the data attributes for the data element as contained in the ASC X12N 837 version 4010A1 implementation guide, and are contained in the approved list of HPTCs posted at the Washington Publishing Company (WPC) Web site www.wpc-edi.com/codes. Reject claims received with invalid taxonomy codes; treat these as implementation guide compliance edits for rejection reporting purposes. Do not reject or crosswalk claims submitted without taxonomy codes; and
- The HPTCs must be loaded as contractor-controlled table data, rather than hard coded by the shared system maintainers. Contractor-controlled tables minimize the impact of future updates. The HPTCs are scheduled for update two times per year (tentatively October and April). For purposes of the early April 2003 release, use the HPTCs posted on the WPC site January 1, 2003, or later. That list may be downloaded in PDF format from WPC for no charge or an electronic representation of the list, which could facilitate loading of the codes, may be purchased from WPC on a subscription basis. Use the

most cost effective means to obtain the list for validation programming and updating purposes.

The HPBSS standard system and associated carriers are waived from implementing this CR due to their upcoming transition to the MCS system. Carriers are required to implement the CR once they transition to MCS.

Further guidance will be issued at a later date in regards to the bi-annual recurring updates of the HPTC table data.

Requirements for Intermediaries and Their Standard Systems

Effective with their April 2003 standard system release, intermediaries and their standard systems must meet the following requirements related to HPTCs:

- Update your existing HPTC crosswalks with valid HPTCs. The updated HPTCs are available as a free download at the Washington Publishing Company's Web site at www.wpc-edi.com/codes;
- Do not use the HPTC crosswalks to create 4010A1 COB files; and
- Do not edit the inbound HPTC for validity.

Further guidance will be released at a later date regarding editing inbound HPTCs for validity.

The *effective date* for this PM is April 1, 2003.

The *implementation date* for this PM is April 1, 2003.

These instructions should be implemented within your current operating budget.

This PM may be discarded after January 1, 2004.

If you have any questions, contact Brian Reitz, (410) 786-5001, or e-mail breitz@cms.hhs.gov.