

National Intelligence Report

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CMS to Allow Continued Use of Surrogate UPIN

In a recent policy reversal, the Centers for Medicare & Medicaid Services has decided not to eliminate, effective April 1, 2006, the use of the surrogate UPIN OTH000 on Medicare claims from physicians, clinical laboratories, and other healthcare providers.

CMS announced the change on March 31 (Change Request 5019). Under the now-defunct policy eliminating use of the "dummy" Unique Physician Identification Number (Change Request 4177), Medicare would have required labs and other providers to submit the referring/ordering physician's actual UPIN or the claims would be returned as "unprocessable."

The surrogate UPIN was intended for interim use when a UPIN had been requested but not yet received. A Medicare audit in 2004 found that an excessive number of claims used the surrogate when UPINs had been assigned in many cases. In addition, the audit found that more than 10 million claims were submitted with the surrogate UPIN during the period studied.

In lobbying for the policy reversal, the billing committee of the American Clinical Laboratory Association argued that because clinical lab testing is time-sensitive, member labs typically perform the service and provide test results whether or not they have a UPIN for the ordering physician or practitioner. Not all providers have UPINs or must have one, ACLA noted, adding that without the surrogate, labs will be providing services for which they won't be paid.

Use of UPINs on claims will be phased out completely by May 23, 2007, in Medicare's transition to the National Provider Identifier (NPI), as required under HIPAA rules to facilitate electronic data exchange. Since January 3, 2006, Medicare systems will accept claims with an NPI, but an existing legacy Medicare number must also be on the claim.