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November 1, 2023

MEMORANDUM

MEMO NO.

QI-2339

CCS-2312

TO: QUEST Integration (QI) Health Plans
Community Care Services (CCS) Health Plan

FROM: Judy Mohr Peterson, PhD 
Med-QUEST Division Administrator

SUBJECT: GROUP BILLING PROVIDERS SHALL NOT BE THE RENDERING PROVIDER

The purpose of this memorandum is to inform the health plans of a change in encounter data edit code status for edit P332 GROUP BILLERS NOT ALLOWED AS SVC PRVDR – RESUBMIT WITH SERVICE PRVDR from Hard Pend to Deny. This change will deny any encounter that has a provider enrolled as a Group Biller (Provider Type 01) that is populating the rendering provider field. This becomes effective for dates of service beginning November 1, 2023.

Background

Policy

Med-QUEST clarified the policy behind edit P332 in memorandum QI-2118, which reminds health plans that:

Some Provider Types are not approved to provide any services. For example, Provider Type 01 – Group Payment ID, is a Provider Type assigned to providers that provide billing services or act as a billing agent to one or more providers, but delivers no direct services to a patient.

And requires that health plans ensure that:

...servicing, attending, prescribing, or referring providers listed on encounters submitted to HPMMIS do not appear in the (PMR) as Provider Type 01.

And that:

...encounters listing a billing provider that appears as Provider Type 01 in the PMR, have a non-Provider Type 01 servicing provider listed.

System Implementation

To align language, the term 'servicing provider' used in memorandum QI-2118 refers to the 'rendering provider' field in the various 837 transactions.

P332 can be triggered for two reasons:

- A rendering provider that is Provider Type 01
- A billing provider (Type 01) but no separate (non-Type 01) rendering provider

A Provider Type 01 ID could trigger P332 as a rendering provider in two ways:

- It is actually entered in that data field
- It is inherited from the billing provider field

When HPMMIS processes encounters submitted by plans, no additional steps are required if the rendering provider is populated in the transaction. However, when an encounter does not include a separate rendering provider, it derives rendering provider from the billing provider.

Therefore, if an encounter has a billing provider with an ID that uses Provider Type 01 and no rendering provider, then HPMMIS will trigger the P332 edit since it now has an encounter with a rendering provider as a Provider Type 01 ID. This violates the requirement in QI-2118.

Currently, the encounters that trigger this edit are set to Hard Pend for the following *paid* transactions:

- 837P professional encounters (Form Type A)
- NCPDP pharmacy encounters (Form Type C)
- 837I institutional inpatient encounters (Form Type I)
- 837I long term care encounters (Form Type L)
- 837I institutional outpatient encounters (Form Type O)

Hard pend means the encounter is neither accepted nor denied but is held in suspension and the data is not available for use or to submit to CMS.

To implement the requirements of QI-2118, and prevent P332 from triggering, health plans must ensure that providers enrolled as Provider Type 01 GROUP-PAYMENT ID are not submitting claims/encounters without an eligible rendering provider ID in the rendering provider field.

Downstream Impact of Provider Registration on Billing

In addition to creating their own edits to meet this requirement, health plans should work with providers to make sure they understand the downstream billing impacts of the selections they make during their provider application/registration process.

On August 3, 2020, the Med-QUEST Division launched a new web-based provider enrollment system called HOKU (Hawaii's Online Kahu Utility). During registration, providers fill in fields on a sequence of screens to create their own profile in HOKU. The screens and fields in the online registration tool map to the fields in the paper application (Form DHS 1139). Depending on a provider's selections for Enrollment and Provider Type, the fields on subsequent screens, as well as dropdowns for required documents, licenses, and certifications will change accordingly.

Each profile has a unique ID (this is the provider's Med-QUEST Provider ID) that contains important identifying information for a provider. The profile information relevant to P332 are:

Provider Type	<p>This is a dropdown list with selections that appropriately correspond to the Enrollment Type (Individual, Facility Agency Organization (FAO), Group Biller, etc.). A table and decision flow show which provider types correspond to which enrollment types:</p> <p>https://medquest.hawaii.gov/content/dam/formsanddocuments/resources/Provider-Resources/hoku/Guidance_Enrollment%20ProviderType%20Table_20230918.pdf</p> <p>A provider that is providing services, will select</p> <ul style="list-style-type: none">• The applicable Enrollment Type – (Individual/Sole Proprietor, Facility Agency Organization, Atypical Individual, or Atypical Agency)• The provider type that aligns with the services they provide <p>A provider that only provides billing on behalf of one or more who provide services (see NOTE below), will select</p> <ul style="list-style-type: none">• Enrollment Type – Group Biller• Provider Type – 01 GROUP-PAYMENT ID
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<p>NPI</p>	<p>The National Provider Identifier (NPI) is a unique identification number for covered health care providers issued by the National Plan and Provider Enumeration System (NPPES). (Any entity that doesn't meet the definition of a health care provider as defined in 45 CFR 160.103 may not apply for an NPI. These entities would be Atypical providers, such as Hotels or Taxis.)</p> <p>When applying for an NPI, providers select a taxonomy code that describes their services. There are two types of NPIs:</p> <ul style="list-style-type: none"> • Type 1 NPIs are for individuals – for example: Nancy Jones, MD or Juan Hernandez, DDS • Type 2 NPIs are for organizations – for example: Sunny Day Clinic or Happy Ride Ambulance Services <p>HOKU requires Group Billers to obtain a Type 2-Organization NPI.</p>
<p>Tax ID</p>	<p>This is the number used for payments.</p> <ul style="list-style-type: none"> • An individual would provide the SSN associated with their Type 1 NPI • An organization or Group Biller would provide the EIN associated with their Type 2 NPI

There are some (highly regulated) instances where an Individual/Sole Proprietor will use their Type 1 NPI to bill on behalf of another. However, in general, if the billing provider is not also the rendering provider, the billing provider should be an ID that uses an EIN and a Type 2 NPI.

Providers may not be aware that in the case where a provider (often individual or FAO) **bills on behalf of others and also provides services** to Med-QUEST members, in most scenarios that provider will need to create two HOKU profiles:

- One profile using information (Provider Type, NPI type (unless they are atypical), and Tax ID) that are appropriate for the services they provide.
- A second profile with a Provider Type (01), NPI type (2), and Tax ID (EIN) that are appropriate for acting as a billing provider on behalf of others (and themselves, if they prefer a business Tax ID to receive payment).

In these instances, creating two HOKU profiles gives the provider two distinct MQD Provider IDs, so they can bill according to MQD requirements.

NOTE: If Nancy Jones, M.D. incorporates, she may get a Type 1 NPI for herself as a practitioner and a Type 2 NPI for Nancy Jones, Inc as a biller. She would then register in HOKU twice. Once with her Type 1 NPI and SSN and the provider type that corresponds to her services, and a second time with her Type 2 NPI and EIN and Provider type 01. If this is the case, when

submitting claims and encounters for Dr. Jones, the health plan must ensure that the correct IDs appear in the correct locations in the transaction.

Policy Action

This edit will be set to deny for all paid form types any encounter with a rendering provider enrolled as provider type of 01, with dates of service beginning November 1, 2023.

Impact

Immediate:

- Med-QUEST will add details for this requirement to the 837 Encounter Companion Guide and the NCPDP Companion Guide and will provide a link to the updated CGs to QI health plans via email.
- Med-QUEST has posted reference materials in the **Resources** tab of the HOKU web page (<https://medquest.hawaii.gov/en/plans-providers/Provider-Management-System-Upgrade.html>) to help guide providers as they register in HOKU, billers as they prepare claims, and health plans as they process claims to the website and provide links to health plans via email.
- Med-QUEST will set edit P332 to deny encounters starting with dates of service beginning November 1, 2023.

Future:

- As Med-QUEST continues to refine policies to enforce Federal and State claim and encounter data requirements, eventually, denied claims and encounters will not be used for capitation rate setting.

Please contact mqd-encounters@dhs.hawaii.gov if you have any questions on this guidance.

Please contact HCSBInquiries@dhs.hawaii.gov with questions on provider enrollment.