



Medicaid Alert

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TO: Providers of Pharmaceutical Services, Physicians, Podiatrists, Dentists, Federally Qualified Health Centers and Independent Clinics – **For Action**

Managed Care Organizations – **For Information Only**

SUBJECT: Reporting Valid National Provider Identifiers on Pharmacy Claims

EFFECTIVE: Pharmacy claims processed on or after May 1, 2019

PURPOSE: An appropriate National Provider Identifier (NPI) must be reported on pharmacy claims that identify the prescribing practitioner.

BACKGROUND: Two (2) entity types are available in the National Plan and Provider Enumeration System (NPPES) for requesting an NPI. A **Type 1 Entity Type** is intended to identify an NPI for an individual practitioner. A **Type 2 Entity Type** is intended to identify an NPI for a “brick & mortar” facility or a professional group practice.

The Patient Protection and Affordable Care Act (PPACA), also referred to as the ACA, requires that the New Jersey Division of Medical Assistance and Health Services (DMAHS) ensure that reported NPIs are appropriate for the fields populated on a claim. The NPI reported for a prescriber on a pharmacy claim must be a Type 1 NPI. The reporting of a Type 2 NPI to identify a prescriber on a pharmacy claim is inappropriate since a **Type 2 Entity Type** is not authorized to prescribe.

ACTION: **Effective May 1, 2019**, DMAHS shall monitor pharmacy claims to ensure that the NPI reported for the prescriber is a **Type 1 Entity Type**, appropriately identifying the prescriber as an “individual.” Pharmacy claims reporting a **Type 2 Entity Type** as the prescriber shall be denied payment by **Error Code 2298** “Prescriber NPI must map to an Individual Entity, not a group.”

If you have any questions concerning this Medicaid Alert, please contact DXC Technology (formerly Molina Medicaid Solutions) Provider Services at 1-800-776-6334.

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