
Get Ready for New Medicare ID Numbers

Kenneth J. Terry | November 30, 2016

A New Wrinkle in How You'll Get Paid

As if there aren't enough changes taking place in medicine, here's another one that physicians and patients will be grappling with: The Centers for Medicare & Medicaid Services (CMS) is preparing to replace the current identification numbers of 60 million Medicare patients with new Medicare beneficiary identifiers (MBIs), starting in April 2018. This changeover, required by the Medicare Access and CHIP Reauthorization Act (MACRA), could increase claims denials as well as your staff's workload, experts warn.

Congress included this provision in MACRA because it was concerned that the current Medicare ID number, which includes the beneficiary's Social Security number, increased the potential for identity theft. To prevent this from happening, CMS will issue new Medicare cards that contain the MBI, an 11-digit alphanumeric code.

From April 2018 through the end of 2019, CMS will accept either the current number or the MBI on Medicare claims. Starting January 1, 2020, it will process only claims that bear the MBI.

Observers say that the transition to the new type of ID number could present a significant challenge to the industry. Here's what the issues are, and how you should prepare to deal with them.

Systems Will Need to Be Upgraded

Vendors will have a bit more than a year and a half to upgrade their systems to accept the MBI. Ron Sterling, a healthcare IT consultant based in Silver Spring, Maryland, doubts that this is enough time for the vendors to rewrite their applications, test them, and implement them with customers. "Don't underestimate the complexity of rolling it out," he says of the changeover.

Kathryn Austin, director of coding and data standards for the American Health Information Management Association, says that the major vendors will probably deal with the changeover on a timely basis. But the smaller technology companies may not move as fast, she points out.

"I'm not sure there will be enough time for the smaller practices and the smaller vendors, if they get onboard late, to test this in a timely manner," she says. "But because the transition period is over a year, all practices will be able to come onboard in that amount of time."

Practice billing applications may be part of an electronic health record (EHR) system or be included in a separate practice management system. If a medical practice has EHR and practice management systems from different vendors, notes Cindy Dunn, a consultant with the Medical Group Management Association, the suppliers will have to work together to upgrade the interface between the two systems.

Your practice's IT administrator should talk to your vendors about the MBI changeover in advance, Dunn advises. Consult with your billing service, too, if you use one.

So far, CMS has said nothing about testing the MBI. But Sterling notes that testing is essential, and that it should be end-to-end—in this case, between the practice and CMS—not just between the practice and the vendor. If the practice submits a claim with the old Medicare number and CMS sends back electronic remittance advice (ERA) with the MBI, he says, "A lot of practice management systems won't handle that very well."

Will Dual Numbers Create Twice the Headaches?

It's inevitable that some or many claims will be submitted with the old Medicare numbers during the transition period. Although CMS will undoubtedly mount an educational campaign when it introduces the new Medicare cards, some seniors who are forgetful or cognitively impaired may show up at their physician's office without them. Or, even if they do have their cards, receptionists may not ask for them or enter the MBIs into the system right away.

CMS could allow practices to look up MBIs on a password-protected website, using a crosswalk from the old numbers, but that would create issues in regard to HIPAA, notes Austin. Alternatively, CMS could send practices the MBIs when they electronically request eligibility verification. All of our sources agreed that the latter approach would work. But so far, CMS has resisted calls to allow practices to obtain the MBI before claims submission if they only have the old number.

Without this option, practices may have difficulty using the ERA to post payments automatically. Even if practice management systems can recognize both the old and new numbers when claims are prepared, they probably won't be able to link the old number from the claims field to the new number on the ERA, Austin says. "They may be able to post the payment, but it's going to require quite a bit of work on the vendor's side to link those fields together."

Sterling agrees this could be a challenge. The developers should write their applications so that they recognize both numbers and link them together, he says. "They'll have to be able to use either of those numbers when the patient information is presented, whether it's through an ERA, a beneficiary inquiry, or anything else."



Secondary Claims May Get Hung Up

The biggest challenge of the MBI transition, experts say, will occur with claims to secondary insurers, including Medigap plans and state Medicaid programs. CMS will notify all of the secondary insurers about the MBIs, "but whether the smaller insurers act on that notification remains to be seen," Austin says.

In addition, she points out, Medicaid programs tend to lag by 6 months to 1 year whenever any major administrative change occurs. This could create a significant problem for practices with patients who are dually eligible for Medicare and Medicaid, she says.

Dunn agrees, noting that some states were unable to keep up with the switch from the ninth edition of the International Classification of Diseases (ICD) to ICD-10, despite having received plenty of advance notice. And Medigap insurers that don't have the MBIs in their systems might refuse to pay if you include the new number on your secondary claims, she points out.

Sterling describes another potential issue. After processing a claim, he says, CMS might slap the MBI on the claim and send it on to, say, a Medigap insurer. Then, when the Medigap plan sends the ERA back to the practice with the new number on it, the practice's billing system may bounce it out because the MBI doesn't match the old ID number on the original claim.

Expect a Fair Amount of Foot-Dragging

Even after the transition period ends, there may still be confusion about the identities of Medicare beneficiaries that could lead to payment delays and claims denials.

To begin with, Sterling points out, Medicare must reprogram nearly 80 of its own internal systems to recognize the MBIs, and some of those systems may not be updated by the deadline. Also, some claims bearing the old ID numbers will be submitted toward the end of 2019; by the time a practice gets a response to those claims from a secondary payer, it could be 6-9 months after the date of service. During that period, the deadline for moving to MBIs will have passed.

In addition, the old numbers containing the Social Security digits will still be floating around in most EHRs and practice management systems for years to come, Sterling predicts. Many documents that include the old numbers, such as reports and letters, have been and will continue to be scanned into both clinical and administrative systems. The same is true for old claims and ERAs that bear the original numbers.

The persistence of the old ID numbers could also have security implications. A security breach will expose the Social Security numbers of Medicare patients even if the practice's EHR or practice management system now uses their MBIs.

David Zetter, a practice management consultant in Mechanicsburg, Pennsylvania, agrees that the old numbers will remain in practice databases for a long time. Many staffers in physician offices, he adds, are still under the illusion that they're supposed

to collect all patients' Social Security numbers during the intake process. This is unnecessary, he notes, because they can simply use medical record numbers to identify the patients.

What's the Best Way to Prepare?

Zetter suggests that front-office staffers verify the insurance card of every patient each time they visit the practice—something they should do anyway, but that will become even more important during the Medicare ID transition. When Medicare starts issuing new cards, and the receptionists ask to see them, they should automatically replace the old ID numbers with the new ones in their system.

"Then, as you see new patients, you'll eventually wipe out those old ID numbers," Zetter says.

Moreover, practices should keep track of which Medicare patients don't have an MBI in the system. "They'll have to monitor it," Dunn says. "Because if they bill after January 1, 2020, with the old number, they won't get paid. So they need to be well prepared before then and make sure they have all the MBIs."

Although you may be tempted to do so, don't rely on CMS to educate Medicare beneficiaries about the new cards, our experts point out. Instead, your staff should do whatever they can to reinforce the message. Dunn suggests posting notices in your reception area and broadcasting the news on your website.

Austin agrees. By the final quarter of 2017, she says, front-office staff should start talking to patients or send them letters that tell them to expect new Medicare cards in the mail. Patients should be urged to bring that card with them to their next appointment, she adds.

Finally, make sure you know what your technology vendor is up to. Ask specific questions about what its upgraded software will be able to do. Find out when it will be available and how it will be tested. If the vendor isn't sure about end-to-end testing, ask your Medicare carrier or clearinghouse whether and when that will be available.

Keep Close Tabs on the Process

Considering all that's happening in physician reimbursement today, the transition to the MBI might not be the biggest issue on your plate. But Medicare patients generate, on average, about one third of primary care revenues. Any interruption or delay in Medicare payments can have a major impact on your practice.

Consequently, it's worthwhile to pay attention to the impending change in Medicare ID numbers. Your practice probably won't need to do a huge amount of work, but it could pay off for you handsomely if you're prepared.

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