# Taxonomy FAQ

## Background

The Centers for Medicare & Medicaid Services (CMS) recently released guidance to the industry that indicates that taxonomy will have a critical role in defining how Medicare claims process. The taxonomy or taxonomies associated to a prescriber's National Provider Identifier (NPI) will tell claims' systems all over the country whether a claim should process or reject. To ensure continued member access and data accuracy, it is crucial that you be familiar with what taxonomy is, how it works and that your NPI is associated with a valid taxonomy code that correctly reflects what you do.

## What are taxonomy codes?

Taxonomy codes are created by the National Uniform Claims Committee (NUCC) and help to classify prescribers and providers with an NPI. These codes give us an idea of what the prescriber does – for example, a physician specializing in treating patients for allergies may select a taxonomy code with a Type of Allopathic & Osteopathic Physicians, Classification in Allergy & Immunology and a Specialization of Clinical & Laboratory Immunology.

## What are the categories of NUCC codes?

There are up to 845 NUCC codes, each with a type and classification. The **type** of taxonomy code identifies very broadly the field in which the prescriber works. For example, a family physician would be typed as an Allopathic & Osteopathic Physician, whereas a Contractor might be typed as an Other Service Provider. There are still other types of codes that identify entities rather than individuals, such as Hospitals and PPOs.

The **classification** of the taxonomy code provides additional detail on what the provider associated with the NPI does. An individual might select themselves as an Other Service Provider, for example, but their classification of Naturopath might indicate that they are a practicing naturopathic doctor able to prescribe in certain states.

The NUCC code set provides yet another level of granularity by associating **specialization** with certain taxonomy codes. Specialization does not apply to every single taxonomy code, so there are many providers who will have a type and classification but no specialization. For example, a Midwife under the Other Service Provider type does not have a specialization.

## Where do these codes come from?

All the taxonomy codes associated to NPIs come from the National Uniform Claims Committee, a voluntary organization that helps develop standardized data sets for healthcare providers (individuals and entities) to send claim and encounter information to and from third party payers. This committee was developed in partnership with CMS and the American Medical Association.

# What taxonomy code should I choose?

While we cannot tell you exactly which taxonomy code you should choose, in general, most physicians – other than naturopathic doctors – would choose a code from the Allopathic & Osteopathic code types. There are more than 200 different types of Allopathic & Osteopathic codes to choose from. If you are a nursing practitioner with prescriptive authority or a physician's assistant, you would generally choose a Physicians Assistant & Advance Nursing Practitioner code.

CMS has provided additional documentation that can help you understand which codes are appropriate for a Medicare practitioner:

- **Medicare taxonomy crosswalk:** https://www.cms.gov/medicare/provider-enrollment-and-certification/medicareprovidersupenroll/downloads/taxonomycrosswalk.pdf -this crosswalk, supplied by CMS, provides a list of taxonomy codes and corresponding specialty codes in the Provider Enrollment Chain and Ownership (PECOS) database. These taxonomy codes represent those provider types allowed to enroll in Medicare. The PECOS database is the basis for the Medicare enrollment file, which is used in Express Scripts logic on claims to identify which are associated to prescribers not enrolled in Medicare. This taxonomy crosswalk is maintained by Medicare and may be updated with no notice provided to plans, so Express Scripts checks the crosswalk periodically to determine whether new provider taxonomies have been added.
- **Medicare eligibility reference table:** https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/Downloads/Medicare-Provider-Enrollment-Eligibility-Reference-Table-v07302015.pdf - this table, produced by CMS, provides a list of physician and non-physician practitioners Medicare believes should be enrolled in PECOS and also a list of those prescribers they believe to be eligible to prescribe by state law but not federal law and thus prohibited from enrolling in Medicare. These are known as "other authorized prescribers."

You will notice that some of the taxonomies on the Medicare taxonomy crosswalk belong to entities – please ensure that when you do update your taxonomy code that you select a taxonomy that would belong to **an individual provider** and not an entity. For example, if you practice family medicine, you may want to choose code 207Q00000X, Allopathic & Osteopathic Physicians, Family Medicine, instead of or in addition to other taxonomy codes you may currently have.

# Are there taxonomy codes I should not choose?

We strongly encourage physicians and other prescribers to **avoid** choosing very general taxonomy codes, such as "Specialist" or "Contractor." These codes may result in inappropriate identification of the prescriber as someone who cannot write prescriptions for patients and could yield a rejected claim. Additionally, if you are a nurse and have an advanced practice degree, we urge you to avoid selecting "Registered Nurse" as a taxonomy for the same reason stated above – your taxonomy code should reflect that you have an advanced practice nursing degree to ensure accurate identification of what you do and to avoid unnecessary rejects.

# How do I update my taxonomy code if it's wrong?

We recommend that providers first look at CMS's taxonomy crosswalk, provided above, to make sure they know which taxonomies CMS believes are eligible for Medicare enrollment. Once you've done that, perform the following steps:

1.  Look up your provider's NPI in NPPES by entering it here: https://npiregistry.cms.hhs.gov/

2.  Click on the NPI number to look at the full record, then scroll to the bottom to view the provider's taxonomies. If the taxonomy is not one of those CMS considers to be valid, you can manage your providers' NPIs here: https://nppes.cms.hhs.gov/NPPES/Welcome.do

3.  Just log in using your username and password in the Individual NPI portion of the site and update the taxonomy code as needed. The taxonomy should be updated in real time.

4.  Once your taxonomy is updated in NPPES, it should take approximately one week for it to be updated in Express Scripts' system.

## Why would a claim reject or process incorrectly if I chose the wrong taxonomy?

CMS provides a specific list of taxonomies they believe are eligible to enroll in Medicare. Failure to select one of these taxonomies could identify you as someone who cannot enroll in Medicare and therefore cannot service Medicare Part D beneficiaries. Additionally, to ensure data accuracy, Express Scripts now rejects claims with invalid taxonomies that indicate the prescriber has no authority to write prescriptions at all.

For example, if you chose to represent yourself as "Psychiatric Unit" or "Contractor," claims for prescriptions you wrote may reject.

## How are taxonomy codes evaluated at point of sale?

There can be up to 15 unique taxonomy codes associated with any given NPI. When an NPI is submitted on a claim, Express Scripts' adjudication logic searches for a valid taxonomy code. If one is present, the claim will continue to process and will pay if there are no further errors. If no valid taxonomy code is present, the claim will reject.

The logic evaluates all taxonomy fields to confirm whether one is valid. So, for example, if a prescriber has five invalid taxonomies and one valid taxonomy associated to his or her NPI, the system would evaluate all the taxonomy fields, identify that one of the taxonomies was on the valid list and process the claim. If the system could not identify a valid taxonomy, the claim would reject 777.

## How is any of this pertinent to Medicare enrollment?

Your taxonomy code tells Express Scripts, other processors and CMS whether you should be enrolled in Medicare or not. If your taxonomy indicates that you should enroll in Medicare (i.e., if it is that of an Allopathic & Osteopathic Physician or other taxonomy eligible to enroll) and you have failed to enroll or opt out of Medicare, plan sponsors and their claims processors have been instructed to deny the claim after a provisional fill has been supplied to the beneficiary.

## If I have the credentials to prescribe but do not update my taxonomy code, does that mean my claims will reject?

Yes, if you do not have a valid taxonomy code or your taxonomy indicates you should enroll in Medicare, claims for prescriptions you write will ultimately reject.