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of the Blue Cross and Blue Shield Association

May 16, 2007

Dear Pharmacist,

The national provider identifier is a 10-digit number that will replace the provider identifiers pharmacies use in electronic transactions today (National Council for Prescription Drug Program numbers). The NPI implements a requirement of the Health Insurance Portability and Accountability Act of 1996, and must be used by HIPAA-covered entities, including pharmacies, in HIPAA standard transactions.

On April 2, 2007, the Centers for Medicare & Medicaid Services issued contingency plan guidance in response to the health care industry as a whole not being ready for NPI by the May 23, 2007 compliance date. Due to this recent announcement, BCBSM is extending our dual-acceptance period as permitted by CMS. Below are the NCPDP version 5.1 fields impacted by NPI.

For Service Provider ID (NCPDP field 201-B1): BCBSM will accept NCPDP or NPI.

Note: You must submit the appropriate qualifier code in Service Provider ID Qualifier (NCPDP field 202-B2) for the value reported in field 201-B1.

For Prescriber ID (NCPDP field 411-DB): BCBSM will accept DEA, UPIN, state license or NPI numbers.

Note: You must submit the appropriate qualifier code in Prescriber ID Qualifier (NCPDP field 466-EZ) for the value reported in field 411-DB.

To avoid unnecessary claim rejections NCPDP is urging all pharmacies to obtain their NPI and share it with them. NCPDP will update its pharmacy database, which is used by many health plans and payers to link the pharmacy NPI to the pharmacy NCPDP number for claims processing and payments.

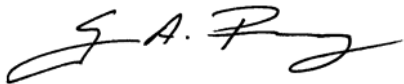
If you have **not** yet obtained your pharmacy NPI, you may do so by visiting the following Web site: <https://nppes.cms.hhs.gov>. Pharmacies may also call and request a paper application form (CMS-10114) at 800-465-3203 toll-free or 800-692-2326 (TTY). Please note, if you've obtained an NPI on your own, you should fax a copy of the e-mail or letter of NPI notification from CMS to NCPDP at 480-767-1043.

There is no cost to obtain an NPI and share it with NCPDP.

BCBSM is in the process of obtaining the NCPDP pharmacy database to assist with the development of our internal crosswalk, which will link the pharmacy NPI to your NCPDP. However, if you already have your NPI number, you can e-mail it to PharmacyNetworkAdmin@bcbsm.com. We also encourage you to visit our Web site at bcbsm.com/provider/hipaa_npi/index.shtml for up-to-date information on our contingency plan. For more information in the recent CMS announcement, visit the CMS Web site at <http://cms.hhs.gov/NationalProvIdentStand/>*

If you have any questions, please call the DRAMS Clinical Help Desk at 800-437-3803, option 1, or e-mail your questions to PharmacyNetworkAdmin@bcbsm.com.

Sincerely,

A handwritten signature in black ink, appearing to read "G.A. Perry". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Glen A. Perry, R.Ph., M.B.A.
Director
Pharmacy Services Administration

*BCBSM does not control these Web sites or endorse their general content.