



This Best Practice is intended for use with the corresponding MN Uniform Companion Guide(s), **Version 5010.**

1. Title of best practice:

When to use taxonomy code(s)

2. Who does the best practice apply to:

Providers and Group Purchasers

3. Narrative description as to what is being addressed by this best practice:

HIPAA Implementation Guide instructions indicate that the taxonomy code for providers should be submitted when it is known to impact adjudication. This best practice is intended to provide guidance as to situations where taxonomy is needed as it will impact adjudication of the claim.

4. The loops, segments and elements, etc. that the best practice applies to:

837P: 2000A, PRV (Billing/Pay-To Provider)
2310B, PRV (Rendering Provider)
2420A, PRV (Rendering Provider)

837I: 2000A, PRV (Billing/Pay-To Provider)
2310A, PRV (Attending Provider)

5. Describe how to do the best practice:

It is recommended that providers and group purchasers should meet to discuss/resolve how to identify and pay claims correctly through data elements (e.g. diagnosis codes, procedure codes, place of service, form type, bill type etc.) on claims or through contract payment revisions versus requiring taxonomies.

In the rare event that adjudication is impacted by the submission of the taxonomy and other means to identify the type of provider are not available, both group purchaser and provider must agree upon when taxonomy will be required for submission. Appropriate communications regarding taxonomy requirements must be made with trading partners prior to effective date of contract. Failure to do so may result in processing errors or claim rejection.

If a provider uses a billing service, software vendor and/or clearinghouse, it is the responsibility of the provider to communicate taxonomy requirements.

Visit our website at: <http://www.health.state.mn.us/auc/index.html>

Claims Best Practice C4
When to Use Taxonomy Code(s)

If group purchaser uses an outside claims processor and/or clearing house, it is the responsibility of the group purchaser to communicate taxonomy requirements.

6. Examples to illustrate best practice:

If provider and group purchaser agree that taxonomy is required, then this example may be utilized.

Provider has chosen to enumerate with a single type 2 NPI and taxonomy is required to apply correct contracted price to the claim during adjudication.

Location Name	Address	Provider Name	Taxonomy Information
Any Hospital	1234 Any St Anytown, MN 55155	Hospital	Acute Care Hospital
Any Hospital	1234 Any St Anytown, MN 55155	Hospital	Psychiatric Unit
Any Hospital	1234 Any St Anytown, MN 55155	Hospital	Chemical Dependency Unit
Any Hospital	1234 Any St Anytown, MN 55155	Hospital	Rehab Unit

7. AUC approval date:

11-20-14

8. Last reviewed date:

08-06-14