

MEMORANDUM

To: Clinic Directors
From: Jane E. Rosenthal, Privacy Coordinator
Cc: Kathleen McCluskey-Fawcett
Joe Gillespie
Date: 6/14/06
Re: **National Provider Identifiers (“NPI”)**

As you may have heard, the Centers for Medicare & Medicaid Services (CMS) announced the availability of a new identifier for use in the (HIPAA) standard electronic health care transactions. This is part of the HIPAA Administrative Simplification process and regulations. The following is additional information about this issue.

Background

HIPAA mandated that U.S. Department of Health and Human Services (HHS) adopt a standard unique health identifier for health care providers (HCP). The intent was to eliminate the need for health care providers to use different identification numbers to identify themselves when conducting standard transactions with multiple health plans. In response, in May 2005 HHS published a Final Rule adopting the “National Provider Identifier” or “NPI” as the standard unique health identifier for health care providers. Compliance with the NPI regulations is due by May 23, 2007. The NPI is a 10-number, intelligence-free identifier (carries no info on the state in which you practice).

NPI will:

- Replace/simplify the need for all other UPIN (legacy) identifier numbers

NPI will not:

- Guarantee reimbursement by health plans
- Enroll providers in health plans
- Make providers covered entities
- Require providers to conduct electronic transactions

Who can have an NPI? Any health care provider (as defined under HIPAA) or any subpart of a provider. Though a health care provider that electronically bills (see next section below for detail) will be required to have an NPI, any health care provider not yet required to have an NPI can still apply for and obtain an NPI. A subpart of an entity furnishes health care and may or may not be a covered component; a subpart is not an individual. At KU, a subpart will either be a clinic itself, or a specific area of a clinic that bills.

Requirements

All health care providers (for example, physicians and other practitioners; institutional providers; suppliers of durable medical equipment, pharmacies and pharmacists) are eligible for an NPI. Health care providers who transmit health information in connection with electronic transactions for which HHS has adopted a standard (i.e. “standard transactions”) are required to obtain and use the NPIs in the standard transactions, *even if* they use business associates, such as billing agencies, to prepare the transactions. **The compliance date for all covered entities is May 23, 2007 (with an exception for**

small health plans), meaning that NPIs must be used on standard transactions with health plans, other than small health plans, no later than May 23, 2007. Other health care providers are permitted (and encouraged) to obtain NPIs, but are not required to do so. Health plans may require use of NPIs prior to the compliance date.

What does this mean for KU Entities/Individuals?

Units (or individuals) on the Lawrence campus, that are engaging in standard (electronic) transactions are responsible for obtaining an NPI. Because units on the Lawrence campus currently bill patients and/or third party payors for their services separately and directly, the University will not be obtaining one “University” NPI for use by all units. In some cases, it may be required or appropriate for a unit to obtain more than one NPI (e.g. where services for subparts of the unit are billed under a separate billing number). These determinations will need to be made on a case-by-case basis.

Individual practitioners working within these units may need to apply for an NPI, either individually or collectively by the unit itself. This is because the NPI of individual practitioners may need to be included in electronic transactions submitted for services provided by them. For example, a pharmacy claim that is a standard transaction must include the identifier of the prescriber. Another example, a hospital claim is a standard transaction that needs to identify an attending physician. The absence of NPIs when required in those claims may delay preparation and processing of those claims.

Units and individual practitioners not engaging in standard transactions electronically should review the desirability of obtaining an NPI anyway. As stated above, situations exist in which a health care provider that does not engage in standard transactions must still be identified in a standard electronic transaction conducted by someone else.

For those entities engaging in standard transactions, steps should be taken now to identify who the health care providers are and under what circumstances standard transactions will require NPIs even for noncovered health care providers. There does not appear to be a downside to applying for an NPI—it does not cost for the application and the NPI can be used in paper transactions.

Additional considerations:

If you are currently billing electronically, you need to check with the insurance companies which you bill most commonly for any early compliance dates for obtaining an NPI. Ask for the Provider Relations Office. While the use of an NPI is not mandated by law until May 23, 2007, the insurers may choose to begin using the NPI prior to this date. Alternatively, the insurers may begin accepting the NPI along with the legacy numbers prior to the May 23, 2007 to allow for the “crosswalk” of information from the old system to the new.

Further, if you are currently electronically submitting your claims, you need to ensure that your system hardware and software will allow for this conversion and “crosswalk” to the new system.

Other information:

- CMS developed the system to apply for the NPI. You may apply for the NPI through a web-based application process at: <https://nppes.cms.hhs.gov/NPPES/Welcome.do>. Alternatively, a paper application may be submitted. A copy of the application, including the mailing address is available on <https://nppes.cms.hhs.gov>. You may also call the following number for a copy: 1-

800-465-3203 (NPI Toll-Free) or 1-800-692-2326 (NPI TTY) or for information to customerservice@npienumerator.com. CMS contracted with a company to handle the NPI enumerator assignment to individuals and health plans.

- CMS guidance states that health care providers (either human or non-human/organizational) should consider using the NPI in standard transactions before the compliance dates in order to create a “crosswalk” between the old and new identifications. You might want to check in with the health plans to determine when they are ready for you to use your NPI prior to the compliance dates.
- When the NPI is implemented, covered entities (or component subparts which individually bill) will use only the NPI to identify health care providers in all standard transactions. Legacy (secondary) identification numbers, e.g. UPIN, Medicaid Numbers, etc., will not be permitted after May 23, 2007. Until the deadline, Taxpayer Identifying Numbers (TIN) may still need to be reported for tax purposes as required by the implementation specifications. The NPI will be the Primary Identifier if more than one identifier is required.
- Provider is a legal entity, but the subpart is not a legal entity; a subpart is designated by the provider. The Provider is responsible for the subpart’s compliance.
- With your permission, an organization may submit your application in an electronic file. This could mean that your employer could submit an electronic file containing your information and the information of other health care providers. This process is now available as the Electronic File Interchange (EFI). “Electronic File Interchange (EFI), also referred to as “bulk enumeration,” is a process by which a health care provider (or group of providers) can have a particular organization apply for the NPIs on their behalf.
- The individual KU clinics will want to determine if they prefer to apply for an NPI on behalf of their providers or require the providers serving in the clinic to apply individually for a NPI. Either way, only 1 NPI should be obtained per provider. Avoiding duplicate filing will be a required task.
- After the National Plan and Provider Enumeration System (NPPES) processes a file, it makes available to the organization a downloadable file containing the NPIs of the enumerated health care providers. http://www.cms.hhs.gov/NationalProvIdentStand/07_efi.asp. The option to submit paper applications or individual electronic applications may be preferable to creating an EFIO and uploading a file in this manner.
- Health care providers will only apply once for the NPI. The NPI will not change regardless of changes in the health care provider’s location or job. Protect your NPI as private, sensitive information not to be shared. You will retain the same NPI unless there is a fraudulent use situation requiring change.
- Applying for an NPI does not replace any enrollment or credentialing processes with any health plan, including Medicare. You will want to guard/protect your enumerator to avoid fraud or improper use, but it will have to be maintained on file by the Clinic you work in just as credentialing information is maintained.

- A health care provider that is not a covered entity or covered by HIPAA, and which has been assigned an NPI, does not become a covered entity as a result of NPI assignment.
- The NPI will be used exclusively after the May 23, 2007 compliance date for all standard transactions.
- A health care provider that has two locations for the provision of service (i.e. a KU clinic and an outside practice) will only be required to have one (1) NPI.
- Information required to obtain an NPI includes all of the following: Provider Name, Provider DoB, Country of Birth, State of Birth (if U.S.), Provider Gender, SSN/Proof of Identity, Mailing Address, Practice Location Address & Phone, Taxonomy (provider type), State License Info, Contact Person Name-Phone-Email.
- When applying for an NPI, CMS encourages including all legacy (secondary) identifiers used by you (for Medicare or other insurers).
- CMS has contracted with a company (Fox Systems, Inc.) to serve as the NPI Enumerator for the National Plan and Provider Enumerator System (NPES) and answer questions relating to the identification process. The contact is by phone to 1-800-465-3203 or by email to customerservice@npienumerator.com.
- If you have any questions or concerns regarding this issue, please contact Jane Rosenthal, Privacy Coordinator, Office of the Provost, at 4-9528 or by email at privacy@ku.edu.

References:

- Privacy & Security rules 45 CFR 160 & 164
- HIPAA Administrative Simplification, NPI rule at 45 CFR 162
- Health care provider 45 CFR 160.103
- Covered health care provider is defined at 45 CFR 162.402
- NPI Application form found at:
- <http://www.cms.hhs.gov/NationalProvIdentStand/Downloads/NPIapplication.pdf>
- You may obtain additional information about HIPAA and administrative simplification standards at <http://www.hhs.gov/ocr/hipaa/>
- Information from CMS at <http://www.cms.hhs.gov/NationalProvIdentStand/> .
- FAQs on NPI are available at http://questions.cms.hhs.gov/cgi-bin/cmshhs.cfg/php/enduser/std_alp.php?p_sid=Qjr3YRYh&p_lva=&p_li=&p_page=1&p_cv=&p_pv=&p_prods=0&p_cats=&p_hidden_prods=&prod_lv1=0&p_search_text=NPI&p_new_search=1&p_search_type=answers.search.nl.