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# National Provider Identifier (NPI)

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## Essential Facts & Key Challenges for Boards

January 9, 2006

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# Where does the NPI come from?

- Part of the HIPAA series of mandates
  - Authorized by 45 CFR Part 162
  - CMS Enforces
  - Compliance date: 5/23/07
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# NPI Characteristics

- 10 digit number
  - No embedded intelligence
  - All issued by single enumerator
  - Replaces most other provider IDs
  - No renewal
  - Assigned for life of provider
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# Who must have an NPI?

- All HIPAA-covered providers. Those who conduct standard transactions, e.g., 837 & 835
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# Who may NOT obtain an NPI?

- Non-healthcare providers, e.g.,
  - Non-medical transportation providers
  - Carpenters
  - Interpreters

“Atypical Providers”

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# Who MAY obtain an NPI?

- Non-covered providers.
    - Grant-funded Providers
    - Cost Reimbursement Providers
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# NPI Type 1

- Independently Licensed Practitioners
    - Physicians
    - Psychologists
    - Social Workers
    - Counselors
    - Nurses
  - Always natural persons (individual humans)
  - May also obtain a Type 2 NPI for practice
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# NPI Type 2

- Organization NPI
    - Mental Health and AOD Agencies
    - Medical Group Practices
    - Hospitals
    - Pharmacies
    - Durable Medical Equipment Providers
  - Always a unique entity
  - Type not revealed by NPI
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# NPIs for Subparts

- Business grouping or business unit
  - Can't be a separate legal entity
  - Can't be a natural person
  - Subpart's NPI compliance is responsibility of business owner; not the subpart's
  - Subpart NPI information must not be identical with any other of provider's NPIs
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# Likely subpart rationale

- Separate routing for billing/payment
  - Medicare or other Federal Program mandate
  - Services provided at a separate location
  - Distinctive CMS taxonomy
  - Separate licensure or certification
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# Predicted benefits

- Simplifies business
  - Stable ID
  - < ID maintenance costs
- Adds coherence to EMR development
- Simplify COB
- Simplify cross-indexing
- < overhead
- < errors
- Improve fraud detection

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# What the NPI will not do.

- Guarantee reimbursement by health plans
  - Establish participating provider status within plan
  - Require providers to conduct std transactions
  - Make providers covered entities
  - Replace Tax ID/EIN #s or physician DEA #s
  - Reveal connection with provider's other NPIs
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# General Requirement for Providers

- Apply to National Plan and Provider Enumeration System (NPPES) for NPI
  - Use NPI for all std transactions
  - Provide NPI to trading partners as needed
  - Report changes to provider data w/i 30 days
  - Require business associates to use NPI
  - Ensure subpart compliance with NPI Rule
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# Rule requirements for Plans

- Process standard transactions with NPI by *5/23/07*
  - Plans may not require a provider that already has an NPI to apply for any additional NPIs
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# Rule Requirements for Clearinghouses

- Must use only the NPI to identify providers in standard transactions by May 23, 2007.
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# The Enumerator

- The internet address for the enumerator is:
    - <https://nppes.cms.hhs.gov>
  - Information provided at the site is complete and instructive.
    - Also see NPI application “viewlet” at:
      - <http://www.cms.hhs.gov/apps/npi/npiviewlet.asp>
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# NPI Implementation Time Line

- **May 5 , 2005** Enumerator began issuing NPIs.
  - **May, 2006** MACSIS begins testing and accepting (not requiring) 837s using NPI.
  - **July 1, 2006** MACSIS FY 07 begins.
  - **July, 2006** MACSIS Tier 1 and 2 testing for provider with complex NPI implementations
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# NPI Timeline, cont.

- **January 2, 2006 to October 1, 2006**
    - CMS accepts only legacy IDs alone or NPI and legacy ID.
  - **October 2, 2006 to May 22, 2007**
    - CMS accepts legacy ID or NPI.
  - **May 23, 2007**
    - CMS and all covered entities accept only NPIs for all transactions that require a provider identifier.
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# Board Role in NPI Implementation

- Central part of this process
  - Understand NPI basics
  - Understand implications for budgeting, rate setting and contracting
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# Board Role in NPI Implementation

- Prepare to receive and process NPI-compliant 837s and 835s.
  - Ensure that Board staff is available to respond to provider implementation efforts
  - Implication for internal record keeping and reporting
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# Specific Board Tasks

- Consultative role with providers seeking NPIs
  - Opportunity for simplification – more acute system understanding
    - Inactive UPIs – 250 without claims
    - 1:1
    - 1:Many
    - Many:1
    - Multiple board relationships
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# Specific Board Tasks

- MACSIS change request for NPI notification to State
  - Claim file testing
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