

**To: WEDI Board
NPIOI Steering Committee**

From: NPIOI Readiness Subworkgroup

Date: January 22, 2008

Subject: NPI Readiness Assessment – October 2007

Summary of October Survey Findings

WEDI completed its 6th NPI Readiness Assessment. The survey was conducted October 1st through the 19th. From a demographic perspective there were 300 survey participants. The number is significantly fewer (65%) than the number of respondents to the survey conducted in July (858). The breakdown of survey participants was as follows:

- Providers ----- 153 (76%)
- Payers ----- 115 (20%)
- Clearinghouses----- 8 (71%)
- Vendors ----- 24 (53%)

The table below provides some perspective on industry progress since the beginning of 2007. The survey results demonstrate a strong movement toward industry compliance. As in the past, WEDI wants to emphasize that survey participants represent the more diligent part of the industry in terms of NPI planning and execution. This information should be viewed as the 'best case' scenario. Nonetheless, the survey results support the premise that the health care industry is serious about NPI compliance and has not reduced its work effort since CMS announced its NPI Contingency Guidance back in April.

Some of the important findings from this survey:

- The overall response rate indicates several things:
 1. Providers that have complied have moved forward and those that have not complied, we assume have put this off until 2008 due to the perception that there is a new date of May 23, 2008
 2. Payers continue to work towards full compliance. There has been steady progress, but the volume of NPI only transactions being processed is still relatively low.
- The number of providers that obtained their NPI is now 99%. Statistically, we probably cannot expect this number to get much better, and indeed is the same as the July survey results.

- The number of providers that have shared their NPIs with trading partners still showed an increase from 81% to 91%.
- Provider capability to support NPI transaction processing has continued to increase. For example:
 1. Providers able to submit claims with dual-identifiers improved from 77% to 87%
 2. Providers able to submit claims with 'NPI only' improved from 37% to 46%. This does not imply that providers capable of 'NPI only' are submitting all their claims with just the NPI. In most cases the actual volume of 'NPI only' is somewhat small, only 6% of providers indicated they are submitting 100% of claims as NPI only. This still shows a forward progression towards NPI compliance in the provider community.
 3. Providers able to accept a remittance with NPI only went from 62% to 74%. Actual implementation is dependent upon health plan capability to return the 835 with NPI only. Again, evidence that the provider community is making progress.
- Health plan capability to support NPI transaction processing has also shown improvement. For example:
 1. Health plans able to accept claims with dual-identifiers improved from 92% to 96%.
 2. Health plans able to accept claims with NPI only improved from 66% to 77%.
 3. Health Plans able to send a remittance with NPI only remained at 37%, which is disappointing and shows a plateau effect.
- In terms of an individual organization's 'capability', the industry has demonstrated real progress. The current transaction volume with NPI data indicates that the migration process is moving forward. In June, forty-eight percent (48%) of health plans reported that 25 % or less of their incoming electronic claims contained an NPI. In October, forty-five percent (45%) reported that 50% or less of the incoming electronic claims contained an NPI. Health plans that are receiving 76 – 100% of incoming claims with an NPI went from 7% to 20%. This is notable improvement since the survey in June. However, much work remains before the industry can claim victory in this area. The actual testing / migration process between business partners to the NPI world is complex with a variety of testing and validation challenges. Health care organizations must plan to continue expending considerable resources and time in the trading partner testing phase.

Survey Topic	Jan 2007 Results	April 2007 Results	June 2007 Results	October 2007 Results
Providers (Total Respondents)	866	560	636	153
% of Providers who have obtained NPIs	95%	97%	99%	99%
% of Providers who have communicated NPIs to their trading partners	25%	49%	81%	91%
% of Providers submitting dual-ids	25%	52%	77%	87%
% of Providers who are able to submit NPI only on an electronic claim	4%	19%	37%	46%
% of providers who can accept the 835 provider remittance (NPI only)*	8%	32%	62%	74%
% of Providers who can print a CMS 1500 (08/05) claim*	41%	68%	88%	94%
% of Providers who can print a UB-04 claim*	34%	49%	70%	89%
Health Plans (Total Respondents)	156	181	143	115
% of health plans who can accept claims with dual ids	66%	75%	92%	96%
% of health plans who can accept NPI only claims	13%	34%	66%	77%
% of health plans who can create an 835 provider remittance (NPI only)	4%	21%	37%	37%

% of health plans who can accept a CMS 1500 (08/05) claim	Not included in survey	75%	80%	74%
% of health plans still accepting a CMS 1500 (12/90) claim	Not included in survey	Not included in survey	73%	56%
% of health plans who can accept a UB-04 claim	Not included in survey	61%	80%	73%
% of health plans still accepting a UB-92 claim	Not included in survey	Not included in survey	68%	56%
% of health plans indicating 25% or less of their current electronic claims received contain NPI	85%	78%	48%	27%
% of health plans indicating 25% or less of their providers have communicated their NPI to the health plan	72%	44%	26%	9%

* Statistics modified from previous reports to exclude responses indicating "Not Applicable" to the Provider

Table #1

Data Dissemination

Respondents were also polled on their experience with the NPPES Registry and the Downloadable file. The following survey responses do not support industry reports on usability and accuracy, which are outlined in an upcoming WEDI white paper, which paints a much different picture.

Of the providers that report using the NPPES Registry on-line tool (105) to verify the accuracy of their own NPI, 87% found the data to be accurate. The providers that indicated the data was inaccurate, cited practice address and other identifiers as the items that were incorrect. The concerning piece is that 50% of providers with inaccurate data had taken no action to correct that data in NPPES.

Providers were also queried regarding their use of the on-line tool and the downloadable file to obtain NPIs for other providers they needed to identify on their standard transactions. Of the 89

providers who used the on-line tool, 78% reported success in obtaining the NPI and in a single search 59% of the time. Of the 32 providers who used the downloadable file, 66% were able to find the NPI they were searching for. These providers were also asked to identify the ease of use of the downloadable file on a scale of 1 (easiest) to 5 (most difficult). Responses were fairly well distributed across the spectrum of the scale.

Health plans were queried regarding their use of the on-line tool and the downloadable file to obtain NPIs for their providers that had not yet communicated NPIs to them. Of the 40 health plans who used the on-line tool, 85% reported success in obtaining the NPI and in a single search 53% of the time. Of the 31 health plans that used the downloadable file, 64% were able to find the NPI they were searching for. Health plans were also asked to identify the ease of use of the downloadable file on a scale of 1 (easiest) to 5 (most difficult). Interestingly enough, these responses showed the difficulty was found to be between 3 and 5 for 88% of the health plans (3 = 34%, 4 = 27%, 5 = 27%).

Health plans were also queried regarding additional use of NPPES data as follows:

Survey Topic	Jan 2007 Results	April 2007 Results	June 2007 Results	October 2007 Results
Health Plans				
% of Health Plans planning to update their Provider Repository with NPI(s) from NPPES	N/A	N/A	N/A	35%
% of Health Plans that will notify/confirm update of NPI(s) based on NPPES data with Provider	N/A	N/A	N/A	48%
% of Health Plans planning to update their Provider Repository with other data, e.g. business address from NPPES	N/A	N/A	N/A	11%
% of Health Plans that will notify/confirm update of other data based on NPPES data with Provider	N/A	N/A	N/A	57%

Final Observations

The following are some general observations from the survey along with considerations going forward:

- The survey results support the premise that the health care industry is still making significant progress towards NPI compliance on May 23, 2008. There still appears to be minimal industry slow down since CMS announced its contingency guidance.
- Much work still remains. Comprehensive trading partner testing is critical. The survey data indicates that the industry is showing improvement in this area but time is growing short. There is definite progress in the areas of claim submission and electronic remittances. Other transactions which require an NPI are probably behind this curve. The goal of NPI compliance across the industry by May 23, 2008 will be a challenge. One should anticipate the likelihood that isolated 'system breakdowns' will occur on May 23, 2008, particularly if one exchanges data with a large number of trading partners. It is advised that procedures to address 'system breakdown events' are comprehensive and communicated early.

1. Providers:

- 43% of providers have completed or are currently testing 'NPI only' claims with trading partners, with another 6% starting in October.
- Only 2% of providers indicated it will be April 2008 or later when they initiate 'NPI only' claims testing.

2. Health Plan / Clearinghouses

- 77% of health plans are currently receiving some percentage of their claims in 'NPI only' format. Only 26% of those not currently able to receive NPI only indicated it will take until May 23, 2008 to do so. The volumes are still small, but payer processing capability has improved greatly since April.
 - 100% of clearinghouses are now receiving some percentage of their claims in 'NPI only' format. This is an increase from 89% in June 2007.
- The fact that many organizations have the 'capability' for 'NPI only' processing has not translated into significant claim volumes. Execution with 'NPI only' in a production environment still lags.
 1. 70% of providers reported a claim volume of less than 25%, down only from 78% previously.

2. 40% of health plans reported that their current claim volume with 'NPI' is less than 25% or did not respond to the question, down from 58% previously.
- A large percentage of health care organizations have not communicated a 'contingency plan' four months after the May 23, 2007 compliance date. This is quite surprising, given the need to preserve business continuity between trading partners. WEDI concludes that this activity is not well understood by the industry. A clear understanding of your trading partner's implementation schedule regarding the use of dual ids and 'NPI only' is necessary to avoid disruptions in business operations.
 1. 59% of providers are still reporting they do not intend to implement a contingency plan or they did not respond at all.
 2. 33% of health plan respondents have not communicated their contingency plan, are not implementing a contingency plan, or chose not to respond to this question. This has not changed since June.

This activity must be given a higher priority by health care organizations. Further communications and outreach may be necessary to properly educate the industry.

- The transition to 'NPI only' has not come without some 'bumps in the road'. Although the survey did not capture specific volumes, there is evidence that some business continuity disruption has occurred. The severity level is not known, but the data speaks to the importance of communicating contingency plans to trading partners.
 1. 8% of provider respondents reported that some portion of their electronic claims have dropped to paper since May 23, 2007. This is down from 13% from June, which is only a 40% decrease in three months.
 2. 38% of provider respondents reported an increase in electronic claim rejections, which increased 6% since June.
 3. 25% of payer respondents reported an increase in electronic claim rejections, which decreased by 2% since June.

Further analysis is required to identify the specific causes of these issues, especially given the disparity between stakeholder responses.

- In general, health care organizations appear ready to process paper claims using the new CMS 1500 (08/05) and UB-04 claim forms:
 1. Over 90% of provider respondents indicated they are capable of printing claims on the new forms, which increased 10% since June.

2. Over 73% of health plan respondents indicated they are able to process the new claim forms, which is down from June, likely due to the significant decrease in respondents.

In conclusion, WEDI is encouraged by industry progress in the last couple of months. Much work still remains. The goal of NPI industry compliance by May 23, 2008 will be a challenge. WEDI intends to continue its partnership with CMS on outreach and communication programs through the National Provider ID Outreach Initiative (NPIOI). Future NPI Readiness Assessment will be part of this program. NPIOI is evaluating the need to conduct another industry assessment in early April 2008.

If you have further questions, please contact us at your convenience.

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