



National Provider Identifier Final Rule

The Final Rule (69 FR 3434)

Prepared for:

Workgroup for Electronic Data Interchange

NPI Policy Advisory Group

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Crystal City, Virginia

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NPI Final Rule

- Adopted a HIPAA-mandated identifier
 - To identify health care providers as health care providers in standard transactions
- Defined “covered health care provider”
- Set important dates
- Established NPS functions
- Placed requirements on covered entities



Important Dates

- Publication date: January 23, 2004
- Effective date: May 23, 2005

Providers can begin applying for NPIs

- Compliance dates:
 - **May 23, 2007** for all covered entities except small health plans
 - **May 23, 2008** for small health plans

By these dates, covered entities must use NPIs to identify providers in standard transactions.



The NPI will:

- Be the only identifier used to identify an enumerated health care provider (or a subpart) as a health care provider in standard transactions as of the compliance dates
- Simplify transactions, including claims and COB, and save money in the long term



The NPI will not:

- Identify entities other than health care providers and subparts
- Guarantee reimbursement by health plans
- Enroll a provider in a health plan
- Convey covered entity status
- Require a provider to conduct electronic transactions
- Replace the functionality of the DEA number or the TIN



Who is eligible for an NPI?

- Any “health care provider” (160.103)
 - Both covered and noncovered providers
 - Individuals: Physicians, dentists, others
 - Organizations: Hospitals, ambulatory care facilities, laboratories, HMOs, group practices, others
- Subparts of covered organization providers
- Atypical service providers are not eligible for NPIs



The NPI subpart concept

- Does not apply to individuals
- Does not necessarily correlate to concepts introduced in Privacy and Security Rules
 - “health care component”
 - “organized health care arrangement”



The NPI subpart concept

- Allows the assignment of NPIs to entities (subparts) that are parts of covered organization providers.
 - Subparts furnish health care
 - Subparts are not legal entities
- Places responsibilities on covered organization providers



Responsibilities of covered organization providers

- determine if they have subparts
- determine if those subparts need NPIs
- instruct the subparts to obtain NPIs or obtain the NPIs for them
- ensure that subparts with NPIs comply with the Final Rule's requirements for covered providers



Subparts

- Will receive instructions from the covered organization providers
- If they are to be assigned NPIs:
 - Will be assigned their own NPIs
 - Will have their own records in the NPS
 - Will be required by the covered organization providers to comply with Final Rule's requirements for covered providers



Possible characteristics of subparts

- May function independently of the covered organization provider (must get NPIs if they could be considered covered providers if they were legal entities)
- May be required by Federal regulations to have billing numbers of their own
- May have licensure separate from the covered organization provider
- May have a physical location, Provider Taxonomy Code, and/or EIN different from the covered organization provider



Possible subparts

- Hospital components such as outpatient departments, laboratories, psychiatric units
 - May function independently
 - May be required by Federal regulations to have their own billing numbers
 - May be licensed separately
 - May have different location, Provider Taxonomy Code, EIN



Possible subparts

- Members of chains, such as pharmacies, DME suppliers, nursing homes
 - May function independently
 - May be required by Federal regulations to have their own billing numbers
 - May be licensed separately
 - May have different location, EIN



What does the NPI look like?

- 10 positions (9 plus the check-digit)
- All numeric
- Does not convey information about the provider or subpart it identifies
- Is compatible with health insurance card issuer standard



How does a health care provider obtain an NPI?

- Provider completes application form to apply for NPI
 - Can apply electronically or on paper
 - Application is processed by NPS
 - Data editing
 - Data validation
 - Duplicate detection
- Provider receives notification of NPI



How will the NPS know a health care provider is unique?

- Information collected on application for NPI is used to uniquely identify the health care provider
- Minimum information necessary for unique identification and communication
- Different information for individuals and organizations
- Some validation
- Data elements are listed at 69 FR 3456



The National Provider System (NPS)

- Developed under contract with HHS
- Assigns a single NPI to a health care provider or a subpart
- No credentialing/no group membership information
- Will store information about enumerated providers and apply updates when received
- Will generate reports and statistics
- System of Records Notice (July 28, 1998)



The enumerator

- Will operate under HHS contract
- Will receive applications and updates
- Will resolve errors, help providers with problems, and answer questions
- Will handle data requests
- Will operate the NPS



The enumeration of existing health care providers

- Providers do not have to take any action at this time
- May 23, 2005: Providers may begin applying for NPIs
 - Extremely heavy initial demand
 - Covered providers *must* begin using NPIs in standard transactions within 2 years (by May 23, 2007)



Noncovered providers may apply for NPIs

- No statutory or regulatory requirement for them to obtain or use NPIs
 - Some may need to be identified in standard transactions
 - We encourage them to obtain and use NPIs
- Health plans are not prohibited from requiring enrolled providers to obtain and use NPIs if they are eligible for NPIs



Disseminating data from the NPS

- 3 levels of users
 - 1-HHS/enumerator
 - 2-Health industry
 - 3-The public
- NPS System of Records Notice
 - Required uses, users of NPS data
- Protect confidentiality of data
- Heavy initial demand for data
- Strategy to be published



Requirements - Covered Providers

- Obtain an NPI for itself (and subparts if appropriate)
- Use its NPI to identify itself in standard transactions
- Disclose its NPI when requested
- Furnish updates to NPS (30 days)
- Require BAs to use all NPIs appropriately
- Comply with requirements for subpart(s)



Requirements – Health plans and clearinghouses

- Must use NPIs to identify health care providers in standard transactions
- Health plans may not require enumerated health care providers to obtain additional NPIs



What should covered entities be doing at this time?

- Become informed about the NPI
- Educate staff
- Identify processes/systems that are affected by provider identifiers
- Develop implementation plans



Effect on health care providers

- Will need to use only their NPIs to identify themselves as health care providers in standard transactions
- Will simplify providers' billing transactions
- Will speed up providers' receipts of COB payments
- Coordinate implementation with health plans, other trading partners, BAs and vendors
- Will still need to use DEA numbers and TINs



Effect on health plans

- One number (the NPI) per provider/subpart
- No intelligence in the NPI
- Identify systems/processes that use provider numbers
- Impact on data integrity
- Need for crosswalks



Effect on health plans (cont.)

- Will simplify COB processes
- Will facilitate UR and PI activities
- May discontinue use/maintenance of their own provider enumeration systems



Effect on health plans (cont.)

- Must continue to conduct provider enrollment processes, to include collecting and validating data not in the NPS:
 - Education, licensing, certification
 - Group memberships
 - Multiple practice location addresses
- Coordinate implementation with providers, other trading partners, BAs, vendors



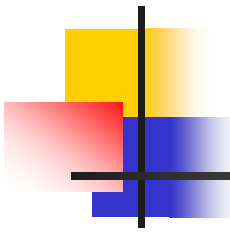
Effect on health care clearinghouses

- Similar to effects on health plans
- Operations involve many providers and many health plans
- May have to accommodate identifiers of noncovered providers who do not obtain NPIs
- Coordinate implementation with trading partners, BAs, vendors



Effect of the NPI on standard transactions – 5/23/07

- NPI will be the only identifier used to identify an enumerated health care provider as a health care provider
- Legacy identifiers will not be used to identify a provider who uses its NPI
- TINs (SSN, EIN, ITIN) may be required to be used, for tax purposes, per IGs
- DEA number may be required to be used for its regulatory purpose, per IGs
- FR does not require NPI to replace ETINs (X12)



CMS/HHS will provide information and guidance

- www.cms.hhs.gov/hipaa/hipaa2
- AskHIPAA@cms.hhs.gov
- HIPAA Hotline 1-866-282-0659
- Continuing CMS guidance and outreach activities
- Important role of health care industry organizations