

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) is a permanent component of National Capital PPO (NCPPO) health care strategy.

NCPPO is committed to delivering excellent service. Part of that commitment includes compliance with and support of the HIPAA mandates. Most importantly, NCPPO is committed to complying with the mandates, standardization and protecting patient privacy, but with minimal “administrative hassles” for our members, physicians and other health care professionals.

Additionally, NCPPO is committed to informing you, our customers, about HIPAA and NCPPO’s compliance status. Listed below are frequently asked questions that provide a quick overview of the HIPAA National Provider Identifier (NPI) requirements. We will update this listing regularly and encourage you to log on to www.ncppo.com to find the most up-to-date information regarding HIPAA and NCPPO’s compliance status.

National Provider Identifier (NPI)

What is NPI?

NPI is the acronym for the National Provider Identifier. It is one provision of the Administrative Simplification portion of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

What is the purpose of NPI?

The NPI is a single identification number that will be assigned by the federal government to health care providers. The NPI will be used to identify physicians, hospitals and other medical professionals in all electronic HIPAA transactions. It is intended to improve the efficiency of the health care system and help to reduce fraud and abuse.

What are HIPAA transactions?

American National Standards Institute (ANSI) is a committee that defines standards for many American industries. Thus far, HIPAA has mandated that nine ANSI transactions must be used for specific electronic health care transactions. These transactions include: 837 Claim, 835 Remittance Advice, 834 Enrollment, 270 Eligibility Inquiry, 271 Eligibility Response, 276 Claim Status Inquiry, 277 Claims Status Response, 278 Referral, and 820 Premium Payment. It is expected that additional transactions will be mandated in the future.

Who must comply with NPI requirements and when?

The NPI must be used in all HIPAA transactions by all covered entities—health plans, health care clearinghouses, and health care providers—by May 23, 2007 (small health plans have until May 23, 2008).

Is a NPI required on paper transactions?

The NPI is required in electronic exchanges of HIPAA transactions. Existing identification numbers can continue to be used in paper and non-HIPAA electronic transactions after the mandatory compliance date. However, the NPI mandate does allow payers to require the use of the NPI on all transactions, including paper, to improve processing efficiency.

Will NPIs only be issued for hospitals and physicians?

No. In addition to hospitals and physicians, NPIs will be issued to institutional and other health care providers such as:

- skilled nursing facilities,
- home health agencies,
- comprehensive outpatient rehabilitation facilities,
- assorted clinics and centers,
- clinical laboratories,
- various licensed/certified health care practitioners, and
- suppliers of durable medical equipment.

They also will be issued to any appropriately licensed or certified health care practitioners or organizations, including pharmacies, nursing homes and many types of therapists, technicians, aides, and any other individual or organization that furnishes health care services or supplies. In other words, a NPI applies to any health care individual or organization that bills and is paid for health care services or supplies. If organizations, such as hospitals, are made up of components, or separate physical locations that qualify as separate health care facilities, they also will be issued their own NPI. These types of arrangements are referred to as “sub-parts” in the NPI Final Rule.

What will the NPI look like?

The NPI will be a ten digit numeric field that will include one check digit in the tenth position to ensure accuracy. This format will permit 200 billion unique identifiers to be issued without re-using the same values. The NPI will contain NO imbedded intelligence. In other words, you will not be able to determine a provider's state, region, specialty, or any other information directly from their NPI.

How will the NPI be generated?

The NPI will be generated by a new system called the National Plan and Provider Enumeration System (NPPES) and issued by the U.S. Department of Health and Human Services (HHS) through the Centers for Medicare and Medicaid Services (CMS).

How will a provider be issued a NPI?

Providers are able to apply to CMS for a NPI starting May 23, 2005 and must have a NPI by May 23, 2007, when exchanging electronic transactions (small health plans have until May 23, 2008). Applications are available on the CMS web site at http://www.cms.hhs.gov/NationalProvIdentStand/03_apply.asp. Providers will need to supply adequate information to ensure that they can be identified uniquely by the National Plan and Provider Enumeration System (NPPES). Should any of that information change in the future, CMS must be notified within 30 days.

What if a doctor changes practices, moves, or changes specialties?

Even if a provider moves, changes specialty, or changes practices, the provider will retain the same NPI, but must notify CMS and supply the new information. The NPI is intended to identify the provider throughout his or her career. Organization NPIs also are intended to be permanent except in rare situations such as when a health care provider does not wish to continue an association with a previously used NPI, or when a health care provider's NPI has been used fraudulently by another.

How will NCPPO be able to associate a provider with his or her NPI?

The NPIs will be maintained in a database in the National Plan and Provider Enumeration System (NPPES). CMS will provide a method of extracting data from the NPPES database. NCPPO is developing a strategy for acquiring NPI data from the database and will use it to identify providers submitting HIPAA transactions. In most cases, it will probably mean modifying current processes to include the NPIs.

What is NCPPO doing to prepare for NPI?

NCPPO's NPI program has established project teams throughout its organization. These teams are dedicated to researching the issues, assessing systems, reviewing business processes, and educating the NCPPO organization about implementation procedures while helping to ensure an understanding of the expected end-result.

Where can I learn more about NPI?

To learn more about NPI from CMS, visit <http://www.cms.hhs.gov/NationalProvIdentStand/> in the coming months or access the CMS HIPAA Hotline at (866) 282-0659. In addition, we encourage you to log on to www.ncppo.com to find the most up-to-date information regarding HIPAA and NCPPO's compliance status.

Has CMS issued any additional information on the application process for the NPI?

In early May of 2005, CMS issued a "Dear Provider Letter" that can be accessed at <http://www.cms.hhs.gov/NationalProvIdentStand/>. This letter briefly outlines the application process and the various ways the provider may obtain an NPI.

When will the providers be able to begin applying for an NPI?

According to CMS, providers may begin applying as early as May 23, 2005 as stated in the regulation. Providers may apply electronically through CMS' web-based application system on May 23, 2005 located at the following URL: <https://nppes.cms.hhs.gov/NPPES>. For those providers who prefer to use the paper format, they will be able to start using the paper application process on July 1st, 2005. A copy of the application and the enumerator's address will be available at the same web site at <https://nppes.cms.hhs.gov/NPPES>. Also, the provider may choose to submit their application through an organization, professional association, or employer. This process is yet to be finalized and is expected to be available sometime during the fall of 2005.

What if a provider has numerous health plan IDs, will each health plan require an additional NPI?

The NPI is the single provider identifier that will replace each of the different health plans' numerous identifiers. This regulation requires each of the health plans to use the NPI as the sole identifier for each provider. The provider needs only to apply once for an NPI.

Where can I learn more about the NPI application process?

Up-to-date information regarding the NPI is available on the NPPES web site at <https://nppes.cms.hhs.gov/NPPES>. You may also contact the enumerator by telephone at 1-800-465-3203 or TTY 1-800-692-2326. In addition, an instructional web tool, called the NPI Viewlet, is now available for viewing at <http://www.cms.hhs.gov/apps/mpi/npiviewlet.asp>.

This document contains information as of January 11, 2006 and may be subject to change.