

# In compliance...

## ...with HIPAA's NPI provisions

by the Division of Advocacy and Health Policy

**T**he Health Insurance Portability and Accountability Act of 1996 (HIPAA) included provisions for a national provider identifier (NPI). NPIs are now being issued and physicians must have them by May 23, 2007.

Rather than have each health insurance plan issue its own identifying numbers for physicians and other providers, the federal government will issue a single number for use by all health plans and in all HIPAA transactions. Each physician will be assigned only one NPI, which will remain the same over time. The Centers for Medicare & Medicaid Services is responsible for administering the NPI.

Surgeons must complete and submit the application form for an NPI, although in many instances their practices will submit the application. Although all physicians may have an NPI, those who transmit HIPAA entries, including claims, must have one. Each payor will decide when to begin using the NPI, and surgeons must have obtained one by the time the first payor requires the NPI.

Applications will be processed and NPIs issued by an "enumerator" operating under a contract to CMS. The enumerator will also be a resource to health care providers, assisting them in completing applications, resolving problems, and answering questions.

Implementing the NPI by all payors will be a big undertaking. They will have to make changes in their systems to accept the new number and request NPIs from all of their members, including hospitals and other providers. Once the effective date of May 23, 2007, arrives, "legacy" or existing identifiers will be prohibited in HIPAA electronic transactions.

Payors can convert to the new NPI system anytime between now and the deadline, although none is ready to make the switch any time soon. Furthermore, small health plans have an additional year, until May 23, 2008, to convert. Thus, physicians will see only limited relief from the present multinumbersing systems for nearly two years. It

### Around the corner

#### June

- Web-based NPI applications may be submitted.
- Economedix will hold teleconferences on Practice Marketing Strategies and Techniques on June 8 and Negotiating Better Third-Party Contracts on June 22. For more information and to register, go to <http://yourmedpractice.com/ACS/>.

#### July

- Quarterly update to 2005 Medicare fee schedule effective July 1.
- Quarterly update to 2005 Correct Coding Edits effective July 1.
- Paper NPI applications may be submitted effective July 1.
- Economedix will hold a teleconference on Creating an Effective OSHA Compliance Program on July 13. For more information and to register, go to <http://yourmedpractice.com/ACS/>.
- ACS-sponsored basic and advanced coding workshops for surgeons and their office staffs, July 14 and 15 in Chicago, IL. To register, visit the ACS coding workshop Web page at <http://www.facs.org/ahp/workshops/index.html>.

may be up to three years if they are enrolled in a small health plan that takes advantage of the extension of the deadline.

It is important to be sure that your system can handle the NPI and that the office staff knows how to enter it. Be sure to check that it will be in advance of the first payor converting to the NPI.

Although applications have been accepted via the Internet since May 23, other routes to apply for an NPI will become available later this summer. The enumerator is scheduled to accept paper applications starting July 1 and will accept a file of bulk applications from large groups still later, probably by September.

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### Important points to remember

- Be sure to have an NPI before the date the first payor you deal with requires one. Remember each surgeon is responsible for getting an NPI.
- It is important to be sure your system can handle the NPI and that the office staff knows how to enter it.
- It's okay to file duplicate applications. The enumerator is to check the records of previously issued NPIs to see if one has already been issued before assigning a new NPI.

The NPI is a 10-digit number, consisting of nine numbers plus a check digit in the tenth position. It contains no embedded information about the person it identifies. Changes in the information on the NPI application must be reported to the enumerator within 30 days of the change.

It is possible that a given surgeon will have multiple applications for an NPI made on his or her behalf. This will occur if he or she is in multiple practice settings and each practice decides to apply for NPIs for all of their physicians. Do not worry if this happens. The enumerator is to check the records of previously issued NPIs to see if one has already been issued before assigning a new NPI.

Declaring a specialty requires either consulting a list of specialty codes on the Internet or writing the specialty in English for the enumerator to convert to the proper code. In addition to the specialties that the College recognizes, transplant surgery and oral and maxillofacial surgery are considered specialties. General surgeons are recognized as just plain "surgery" and have code 208600000X. The subspecialties of surgery are pediatric, plastic and reconstructive, hand, critical care, oncology, trauma, and vascular surgery.

Several specialties have more than one specialty

code. For example, hand surgery appears under orthopaedic surgery, plastic surgery, and surgery, each with different code numbers. Plastic surgery appears twice: once as its own specialty and again as the plastic and reconstructive subspecialty under surgery. This is an important point to remember for individuals who are in a subspecialty and expect the enumerator to enter the code for you. For example, a hand surgeon who wants to be classified under orthopaedic surgery should put down "orthopaedic surgery, hand surgery."

Surgical practices may also have to register other professional staff, such as advanced practice nurses and physicians assistants. Their specialty codes are under the headings of "nursing service providers" and "physician assistants and advanced practice nursing providers."

Adoption of the NPI is the latest step in implementing the administrative simplification provisions of HIPAA, which was enacted nine years ago. Electronic transactions and code sets and security standards already are in place. The privacy rules under HIPAA have made a number of changes in office procedures.

Other standards call for creating health identifiers for employers, so health plans and employers can exchange information electronically. Standards for claims attachments and unique identifiers for health plans are still under development. Q