

In compliance...

with HIPAA's NPI provisions—Part III

by the Division of Advocacy and Health Policy

We are now more than halfway through the two-year period for physicians to obtain and begin using a national provider identifier (NPI) as required by the Health Information Portability and Accountability Act (HIPAA). Physicians must have and begin using the NPI on claims forms submitted on or after May 23, 2007. (Small insurers may take up to one additional year to begin using the NPI.) The deadline is not as far away as it may seem. While the Centers for Medicare & Medicaid Services (CMS) is emphasizing prompt issuance of the NPI, the prudent surgeon or staff member will consider the possibility of a six- to nine-month delay in getting a NPI. Furthermore, implementing the NPI will be a complicated and lengthy process that primarily will be the responsibility of individual physician practices. We urge all Fellows who have yet to obtain and implement a NPI to begin the process as soon as possible.

New developments

This article reviews some of the basics involved in obtaining a NPI, which were discussed in this column in June 2005 and November 2005, and presents some additional material. New developments include the following:

- Group practices with a significant number of physicians may now apply for individual NPIs for all their physicians using a single electronic file in a CMS-specified format. The group must ask each physician for permission to obtain his or her NPI. We anticipate that many Fellows will be in practices that use this method for submitting applications. More information can be obtained from the CMS Web site at <http://www.cms.hhs.gov/NationalProvIdentStand/> and at <https://nppes.cms.hhs.gov>.

- A new Medicare physician enrollment application that went into effect May 1 requires the submission of a NPI with the application. The application is available through the CMS Web site at <http://www.cms.hhs.gov/MedicareProviderSupEnroll>.

Around the corner

August

- Economedix will hold a teleconference, Compensation Formulas of Successful Practices, on August 9, and another, Effective Personnel Management...Hiring, Evaluations, Etc., on August 23. For more information, go to <http://www.YourMedPractice.com/ACS> or phone 877/401-9655.

September

- ACS-sponsored basic and advanced coding workshops for surgeons and their office staff will be held September 20 and 21, in Boston, MA. To register, visit the ACS coding workshop Web page at <http://www.facs.org/ahp/workshops/index.html>.

- Large providers must determine whether they have components, or “subparts,” requiring their own NPI. This concept is explained at <http://www.cms.hhs.gov/NationalProvidentStand>. Click on “Medicare NPI implementation” at the left.

- CMS urges all Fellows to include all existing identifying numbers, not just Medicare numbers, on the application. When reporting a Medicaid number, also report the state issuing the number. Existing, or legacy, numbers are needed to develop crosswalks to aid in the transition to the NPI.

- The paper form CMS-1500 has been modified to accept a 10-digit NPI. A period of time will be allotted during which either the new or the old CMS-1500 may be used, but, as of press time, the dates of the transition had not yet been announced.

Applying for a NPI

Physicians may apply for a NPI in one of three ways: a Web-based application process available at <https://nppes.cms.hhs.gov>; a paper application

available at that same Web site or by calling 800/465-3203; and, as explained previously, groups may file electronically in a CMS-specified format. CMS says it takes approximately 20 minutes to complete an individual application, and physicians who apply online may get a NPI in minutes.

When applying, physicians must designate the code for their specialty on the application, by either consulting a list of codes at <http://www.upc-edi.com/codes/taxonomy> or by writing the specialty on the application. In the latter instance, the proper code will be assigned as part of the NPI issuance procedure. For several specialties, such as hand surgery and plastic surgery, more than one code is available. General surgeons are simply recognized by the specialty of "surgery" and use the code 208600000X. Please consult the November 2005 issue of the *Bulletin* (available at the CMS Web site) for detailed information on selecting a code.


Implementing the NPI

It will take an extended period of time to implement the NPI, and physician offices will play a major part in its success. After a NPI is assigned, it must be furnished to everywhere that legacy numbers have been placed, meaning, essentially, each organization that touches a claim and each office, hospital, laboratory, and so on to which a physician refers patients. Practices will need to

determine when to start displaying the NPI on various documents, such as patient referrals and insurance claims.

Medicare has announced its implementation schedule (see box, this page). It also has announced a preference for surgeons sending both the NPI and the legacy number to Medicare for a period of time. In fact, both numbers must be used through October 1, 2006. If a problem arises with the NPI, Medicare will use the legacy number rather than deny the claim. Medicare is using the NPI on claims, claim status responses, remittance advice notices, and eligibility response electronic transactions. Medicare is also working with other payors to encourage them to use the same implementation policies and schedule.

More information

Check Web sites for more information about the NPI and its implementation. The CMS Web site has become very robust and is full of information about the NPI. In addition, check with large insurance plans and local organizations, such as state medical associations, to see if they have any information available. 

Medicare implementation

Date claim reaches Medicare

Now through October 1, 2006	Medicare will accept claims with a NPI, but a legacy Medicare number must also be on the claim
October 2, 2006–May 22, 2007	Medicare will accept claims with a NPI and/or a legacy Medicare number
May 23, 2007, and thereafter	Medicare will accept only the NPI