

In compliance...

with HIPAA's NPI provisions—Part II

by the Division of Advocacy and Health Policy

In June, this column presented a general overview of the National Provider Identifier (NPI) provisions in the Health Insurance Portability and Accountability Act (HIPAA). This month, this column provides more detailed information about the NPI.

To briefly summarize, the major provisions related to the NPI in HIPAA are as follows:

- The Centers for Medicare & Medicaid Services (CMS) is responsible for assigning the NPI.

- The existing numbers used by each payor to identify physicians and other health care providers will be done away with sometime between now and May 23, 2007. (Small health plans have an additional year to convert to the new numbers.)

- Generally, the surgeon is responsible for applying for a NPI but large practices may submit an electronic file of bulk applications.

- You must have a NPI and your system must be able to handle it before the first payor you deal with requires one.

Overview of NPIs

All individuals and organizations that bill for their services electronically must obtain and use a NPI. Hence, physicians, advanced practice nurses, physical therapists, hospitals, nursing homes, ambulance companies, durable medical equipment suppliers, and other health care providers must have a NPI. Obviously, the NPI will be used to identify the provider who performs a service on an electronic claim or other electronic transaction. It will also be used on an electronic claim for a service ordered by a physician. For example, Medicare will require a clinical laboratory to show the referring physician's NPI on the claim for a laboratory service instead of the existing, or "legacy," number now required.

Once issued, the NPI will not change and remains with the provider regardless of job or location changes. A NPI is never reissued to another provider. The application for and issu-

Around the corner

November

Economedix will hold three teleconferences this month. The first, on November 2, is "E&M Coding...Beyond the Basics." The second, on November 16, is "CPT Coding and 2006 Updates for Surgeons." The third, on November 30, is "Building a Bottom-Line Budget for 2006." For more information and to register, go to <http://yourmedpractice.com/ACS>.

December

Economedix will hold a teleconference December 14 on Billing Compliance: Avoiding Fraud and Abuse. For more information and to register, go to <http://yourmedpractice.com/ACS>.

ance of a NPI does not replace the enrollment process with health plans; enrolling with health plans authorizes the person or entity to bill and be paid for services.

Applying

According to CMS, health care providers should apply for their NPI as soon as possible and definitely before the date on which their first payor requires the NPI. CMS believes early issuance of the NPI will facilitate the testing and transition processes and will decrease the possibility of any interruption in claims payment.

Physicians may apply for a NPI in one of three ways:

- A Web-based application process is available at <https://nppes.cms.hhs.gov>. That is the Web address of Fox Systems, Inc., the enumerator under contract to CMS to handle issuance of NPIs and all inquiries about NPIs from providers.

- A paper application is available at <https://nppes.cms.hhs.gov> or by calling 800/465-3203.

Individuals with hearing impairments may call 800/692-2326 for TTY service. The enumerator's mailing address will be supplied with the paper application.

- With the physician's permission, an organization, such as an employer, will be able to submit an application on behalf of a physician via an electronic file interchange. When available later this fall, this option may be attractive to large group practices.

CMS says that it takes about 20 minutes to complete an application. The organization also says that physicians who apply online may get their NPI in minutes, but offer no other information on the time that could elapse between submission of an application and issuance of a NPI.

As noted in the June column, one possible complication for physicians is selecting a specialty. Selecting a specialty requires either consulting a list of codes on the Internet at <http://www.upc-edi.com/codes/taxonomy> or writing the specialty (in English) for the enumerator to convert to the proper code. In addition to the specialties that the College recognizes, the enumerator also includes transplant surgery and oral and

maxillofacial surgery as specialties. General surgeons are recognized simply as "surgery" and have code 208600000X. The subspecialties of surgery are pediatric, plastic and reconstructive, hand, critical care, oncology, trauma, and vascular surgery.

For several specialties, there is more than one choice of specialty code. For example, hand surgery appears under orthopaedic surgery, plastic surgery, and surgery, each with different code numbers. The entire specialty of plastic surgery appears twice: once as its own specialty and again as a plastic and reconstructive subspecialty of surgery. Subspecialists should remember this overlap if they expect the enumerator to select the specialty code. For example, if you are a hand surgeon and want to be classified under orthopaedic surgery, indicate your specialty as "orthopaedic surgery, hand surgery."

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

Medicare implementation


Date claim reaches Medicare	Medicare processing
January 3, 2006–October 1, 2006	Medicare systems will accept claims with a NPI, but a legacy Medicare number also must be on the claim. Medicare systems will reject as unprocessable any claim that includes only a NPI. Medicare will send the NPI as primary provider identifier and legacy identifier as secondary identifier in outbound claims, claim status response, and eligibility response electronic transactions.
October 2, 2006–May 22, 2007	Medicare systems will accept claims with a NPI and/or a legacy Medicare number on the claim. However, if there is any issue with the NPI and the Medicare legacy number was not on the claim, it may be denied. Therefore, Medicare strongly recommends continuing to submit the legacy identifier as the secondary identifier. Medicare will send the NPI as primary provider identifier and legacy identifier as secondary identifier in outbound claims, claim status response, remittance advice, and eligibility response electronic transactions.
May 23, 2007, and after	Medicare systems will accept only the NPI and will not accept any legacy identifiers. This is also the deadline for most health plans although small health plans have an additional year to become NPI-compliant.

In addition to getting a NPI ...

- Know each insurer's implementation schedule and plans for the use of legacy numbers.
- Be sure your billing system or service can handle a NPI.
- Share your NPI with those who must identify you on claims.
- Find out how both the performing and referring physician should be identified on paper claims.

the NPI and the application process is available at <http://www.cms.hhs.gov/medlearn/npi/npi-viewlet.asp>. That site has a copy of the application that is annotated with tips on completing it.

The latest information about the NPI, including frequently asked questions and guidance documents, is available at <http://www.cms.hhs.gov/hipaa/hipaa2>.

Your Medicare carrier has information and, of course, other insurers should have information, especially when May 27, 2007, approaches. Finally, local collaborative organizations may be working to address NPI implementation issues. 

NPI implementation schedule

Watch for information on the NPI implementation schedule from your health plans. Health plans should also provide information on whether you need to supply legacy numbers. Keep in mind that each health plan will have its own schedule and rules regarding the use of legacy numbers. Medicare has announced its implementation schedule and plans for legacy numbers (see table, page 26).

In addition to getting a NPI in plenty of time, remember to ensure that your billing system or service can handle a NPI by the time the first payor requires it. In addition, you are responsible for sharing your NPI with any entity that must identify you in a claim or other standard transaction. Hence, surgeons must share their NPI with the same entities that have their legacy identifying numbers. Finally, find out what numbers should be used for the performing physician and the referring physician on paper claims.

It is important to note that HIPAA and its provisions apply only to electronic transactions. Some states require the NPI to be used on paper claims but others are silent on the subject, leaving the decision to the insurers.

Additional information

Many additional sources of information about the NPI are available. The enumerator, of course, has all of the necessary information and is available by telephone or at the Web site. See the telephone numbers and Web address listed on pages 25 and 26. A helpful and electronically sophisticated tool that provides an overview of