



## NATIONAL PROVIDER IDENTIFIER (NPI) FACT SHEET

### What is an NPI?

In 1996 Congress passed the Health Insurance Portability and Accountability Act (HIPAA). The purpose of HIPAA was to improve the efficiency and effectiveness of the healthcare system; it included a series of "administrative simplification" provisions that required the Department of Health and Human Services (HHS) to adopt national standards for electronic healthcare transactions. One example is the National Provider Identifier (NPI) which is supposed to simplify electronic billing and other forms of electronic communications. The NPI is meant to replace other identification numbers used by health care professionals such as the UPIN, Blue Cross or Blue Shield Numbers, CHAMPUS Number, Medicaid Number, etc (now referred to by HHS as legacy numbers).

### When must I use an NPI for billing insurance companies?

An initial implementation date of May 23, 2007 was set, requiring all health care professionals to use their NPI on all electronic billing and on any Medicare billing, even if it is paper-based. Problems arose and this date has been changed. With respect to Medicare billing, Centers for Medicare & Medicaid Services (CMS) discovered that the new billing form designed to accommodate the NPI was flawed. Therefore until new forms are available, practitioners can use existing forms, which requires no NPI. CMS estimates that the new billing forms will be available no earlier than June 1, 2007. Once the new forms are in use, NPIs will be required for paper billing. Practitioners who bill Medicare electronically, must use the NPI starting May 23, 2007 as initially planned.

The government has authorized private insurance companies to use their discretion for an additional twelve months as a "contingency plan". Also, "small insurance plans", those with less than \$5 million in annual receipts, are not required to use the NPI until May 23, 2008. Private insurance companies may require an NPI and/or legacy numbers to pay practitioners submitting electronic bills. As of May 23, 2008, all private plans are obligated to use the NPI exclusively as the single identifying code, for those practitioners who bill electronically.

### Do I need an NPI?

If you bill electronically you will need an NPI. If you bill Medicare at all (using paper or electronic billing) you will need an NPI. This applies to all health care professionals, including social workers, psychologists and psychiatrists. If you are required to have an NPI (i.e. you bill Medicare at all, or bill insurance electronically), the law requires you to obtain the NPI by May 23, 2007. The NPI will eventually be the standard identifier for e-prescribing under Medicare Part D, so you will eventually need an NPI if you plan to electronically prescribe for patients covered by Part D insurance plans.

### How do I get an NPI?

There are three ways to become "enumerated":

- **APPLY ONLINE** at <https://nppes.cms.hhs.gov>
- **MAIL APPLICATION:** You may prepare a paper application and send it to the Enumerator. Download the application at the URL above or call 1-800-465-3203.
- **THIRD-PARTY APPLICATION:** With your permission, a professional organization or your employer can submit a request for an NPI on your behalf via an electronic file.

### If I get an NPI, does that make me a HIPAA covered entity?

No. You are a HIPAA covered entity if you bill electronically, if another party bills electronically on your behalf, or if you transmit protected health information electronically outside of your office. Maintaining files on a computer does not compel you to comply with HIPAA, but *transmitting* the information electronically (e.g. by electronic billing) does.

### What if hospitals, pharmacies or other practitioners demand an NPI?

It is possible that private entities such as hospitals or pharmacies may demand an NPI as a condition for having staff privileges or doing business. This was not the stated intent of the Department of Health and Human Services, which explicitly anticipated that those practitioners who are not HIPAA covered entities, would not seek or use an NPI. HHS anticipated that accommodations would be made for those practitioners. (In fact the Massachusetts Board of Registration in Medicine now requires all physicians to obtain an NPI to maintain a license to practice). You can challenge these demands; a sample reply is shown below.

### Is there any potential harm or risk associated with getting an NPI?

Unanswered questions have been raised in association with NPIs. These include potential government or IRS access to billing information, the degree of identity theft threat associated with NPIs, and the use of NPIs to monitor treatment to impose pay-for-performance protocols.

### Where can I get more information?

[www.cms.hhs.gov/NationalProvIdentStand](http://www.cms.hhs.gov/NationalProvIdentStand)

### Sample reply to a needless demand for NPI

The NPI is required by law for health care professionals who file electronic claims or who file Medicare claims. Its purpose is 'administrative simplification,' i.e. to do away with the need to have multiple other numbers. It is for expediting the filing of electronic claims. Clinicians who have opted out of Medicare and who do not file electronic claims are not legally required to have an NPI, nor does it serve any purpose for them. It potentially exposes them to the risk of identity theft. We are not aware of any government requirement that any private entity needs to have an NPI on file for physicians who serve on the medical staff or order procedures or laboratory tests, unless an electronic or Medicare claim is filed to obtain reimbursement for that doctor's work. The rule states that *HIPAA-covered entities*, as defined at 45 C.F.R. § 160.103, are required to obtain an NPI.

### NOTE:

APsaA's legislative counsel, Jim Pyles, has verified with CMS that there is no statutory or regulatory authority for the requirement that practitioners not covered by HIPAA must use an NPI on their Medicare submissions. However, CMS states by instruction that this must be done. Further, CMS has confirmed to Mr. Pyles that an NPI is not required for practitioners who do not bill electronically or participate in the Medicare program by taking assignment of the beneficiary's claim. Such practitioners, however, may obtain an NPI at their option.