

Center for Medicaid and State Operations/Survey and Certification Group

Ref: S&C-05-30

DATE: June 9, 2005

TO: State Survey Agency Directors

FROM: Director
Survey and Certification Group

SUBJECT: **Multiple Providers** - The National Provider Identifier (NPI)

Letter Summary

- The Centers for Medicare & Medicaid Services' (CMS) Administrator announced the May 23rd start of enumeration for the NPI in a letter to the health care community.
- The purpose of this letter is to 1) have providers apply for and receive an NPI beginning May 2005; 2) alert providers that use of the NPI in health care transactions is mandatory as of May 2007; and 3) alert providers that because some health plans may accept the NPI sooner, providers must pay close attention to plan/payer billing instructions.
- As State Survey Agency Directors, you are often a source for up-to-date compliance information. To assist you in announcing the NPI initiative to your respective constituents, we are providing you with outreach resources as listed below.
- Please make this information available to the providers you serve, who may directly or indirectly find this information useful.

1. CMS Administrative Announcement

The CMS Administrator announced a May 23, 2005 start of enumeration for the NPI. The NPI is the standard unique health identifier for health care providers that was adopted by the Secretary of Health and Human Services under the Health Insurance Portability and Accountability Act of 1996. The Administrator's announcement letter:

- Informs health care providers about the NPI,
- Describes three ways to obtain an NPI, and
- Gives them guidance as to what they should do once they have obtained their NPI.

The letter, which also provides contacts and resources should health care providers have questions about the NPI, can be viewed at http://www.cms.hhs.gov/hipaa/hipaa2/npi_provider.asp on the CMS Web site. We have included the letter as an attachment to this memo.

2. Article for Medicare Providers about NPI Implementation

The Article for Medicare Providers about NPI Implementation can be found at <http://www.cms.hhs.gov/medlearn/matters/mmarticles/2005/SE0528.pdf> on the CMS Web site. We have included the article in this memo. This article is written for Fee-for-Service Medicare providers and contains language from the Administrator's letter to ALL providers plus qualifying information about the Medicare program's readiness for NPI implementation. If you are reaching out to non-Medicare constituents, (e.g., State Medicaid agencies, private insurers), you may not want to use the article as written.

For questions concerning this memorandum, please contact Kim Roche at (410) 786-3524 or e-mail at kim.roche@cms.hhs.gov.

Effective date: Immediately. The State Survey Agency should disseminate this information over the next year, or make it available to providers using websites, newsletters, or other outreach forums already planned.

Training: This memorandum should be shared with State Survey Agency and Regional Office supervisory and training staff.

/s/

Thomas A. Hamilton

cc: Survey and Certification Regional Office Management (G-5)

Attachments

Related Change Request (CR) #: N/A

Medlearn Matters Number: SE0528

Related CR Release Date: N/A

CMS Announces the National Provider Identifier (NPI) Enumerator Contractor and Information on Obtaining NPIs

Provider Types Affected

All health care providers - Medicare and non-Medicare

Provider Action Needed

Learn about the NPI and how and when to apply for one.

Background

The Centers for Medicare & Medicaid Services (CMS) is pleased to announce the availability of a new health care identifier for use in the HIPAA standard transactions.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) mandated that the Secretary of Health and Human Services adopt a standard unique health identifier for health care providers. On January 23, 2004, the Secretary published a Final Rule that adopted the National Provider Identifier (NPI) as this identifier.

The NPI must be used by covered entities under HIPAA (generally, health plans, health care clearinghouses, and health care providers that conduct standard transactions). The NPI will identify health care providers in the electronic transactions for which the Secretary has adopted standards (the standard transactions) after the compliance dates. These transactions include claims, eligibility inquiries and responses, claim status inquiries and responses, referrals, and remittance advices.

The NPI will replace health care provider identifiers that are in use today in standard transactions. Implementation of the NPI will eliminate the need for health care providers to use different identification numbers to identify themselves when conducting HIPAA standard transactions with multiple health plans.

All health plans (including Medicare, Medicaid, and private health plans) and all health care clearinghouses must accept and use NPIs in standard transactions by May 23, 2007 (small health plans have until May 23, 2008). After those compliance dates, health care providers will use only their NPIs to identify themselves in standard transactions, where the NPI is required.

Important Note: While you are urged to apply for an NPI beginning May 23, 2005, the Medicare program is not accepting the NPI in standard transactions yet. Explicit instructions on time frames and implementation of the NPI for Medicare billing will be issued later in 2006.

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This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

NPI Enumerator Contract Awarded

Recently, the CMS announced the selection of Fox Systems, Inc. as the contractor, to be called the Enumerator, to perform the support operations for the NPI project.

Fox Systems, Inc. will process NPI applications from health care providers and operate a help desk to assist health care providers in obtaining their NPIs.

Who may apply for the NPI?

All health care providers including individuals, such as physicians, dentists, and pharmacists, and organizations, such as hospitals, nursing homes, pharmacies, and group practices are eligible to apply for and receive an NPI. **Note:** All health care providers who transmit health information electronically in connection with any of the HIPAA standard transactions are required by the NPI Final Rule to obtain NPIs. This is true even if they use business associates such as billing agencies to prepare the transactions.

The NPI Application Process

Health care providers may begin applying for an NPI on May 23, 2005. Once the process begins, **it will be important to apply for your NPI** before the compliance date of May 2007 because health plans could require you to use your NPI before that date.

You will be able to apply for your NPI in one of three ways:

1. You may apply through an easy-to-use Web-based application process, beginning May 23, 2005. The web address will be <https://nppes.cms.hhs.gov>, but **please note -- the web site is not available until May 23, 2005.**
2. Beginning July 1, 2005, you may complete a paper application and send it to the Enumerator. A copy of the application, including the Enumerator's mailing address (where you will send it) will be available on <https://nppes.cms.hhs.gov> or you can call the Enumerator to receive a copy. The phone number is 1-800-465-3203 or TTY 1-800-692-2326. **But remember, paper applications may not be submitted until July 1, 2005.**
3. With your permission, an organization may submit your application in an electronic file. This could mean that a professional association, or perhaps a health care provider who is your employer, could submit an electronic file containing your information and the information of other health care providers. **This process will be available in the fall of 2005.**

You may apply for an NPI using only one of these methods. When gathering information for your application, be sure that all of your information, such as your social security number and the Federal Employer Identification Number, are correct. Once you receive your NPI, safeguard its use.

If all information is complete and accurate, the Web-based process could result in you being issued a number within minutes. If there are problems with the information received, it could take longer. The paper application processing time is more difficult to estimate, depending on the information supplied in the application, the workload, and other factors.

The transition from existing health care provider identifiers to NPIs will occur over the next couple of years. Each health plan with which you conduct business, including Medicare, will notify you when it will be ready to accept NPIs in standard transactions like claims. You can expect to hear about the importance of

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applying for an NPI from a variety of sources. Be clear that you only have to apply for, and acquire, one NPI. Your unique NPI will be used for all standard transactions, Medicare and non-Medicare.

Please be particularly aware that applying for an NPI does not replace any enrollment or credentialing processes with any health plans, including Medicare.

Additional Information

For additional information on NPIs:

- Visit <http://www.cms.hhs.gov/hipaa/hipaa2> on the web.
- Beginning May 23, 2005, visit <https://nppes.cms.hhs.gov> or call the Enumerator at 1-800-465-3203 or TTY 1-800-692-2326.
- For HIPAA information, you may call the HIPAA Hotline: 1-866-282-0659, or write to AskHIPAA@cms.hhs.gov on the web.

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May 6, 2005

National Provider Identifier Activities Begin in 2005

Dear Health Care Provider:

The Centers for Medicare & Medicaid Services (CMS) is pleased to announce the availability of a new identifier for use in the standard electronic health care transactions. The National Provider Identifier (NPI) will be the single provider identifier, replacing the different provider identifiers you currently use for each health plan with which you do business. This identifier, which implements a requirement of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), must be used by most HIPAA covered entities, which are health plans, health care clearinghouses, and health care providers that conduct electronic transactions for which the Secretary has adopted a standard (i.e., standard transactions). This letter will help you to understand the background of this requirement and what steps you need to take to apply for and receive an NPI.

The NPI is one of the steps that CMS is taking to improve electronic transactions for health care. National standards for electronic health care transactions encourage electronic commerce in the health care industry and simplify the processes involved to reduce the administrative burdens on health care providers. With national standards and identifiers in place for electronic claims and other transactions, health care providers will be able to submit transactions to any health plan in the United States. Health plans will be able to send standard transactions such as remittance advices and referral authorizations to health care providers. These national standards will make electronic data interchange a viable and preferable alternative to paper processing for health care providers and health plans alike.

To date, we have adopted and implemented the following HIPAA standards: electronic health care transactions and code sets, privacy, security, and the national employer identifier.

We are now beginning to implement the NPI. On January 23, 2004, the Secretary published a Final Rule that adopted the NPI as this identifier. As of the compliance dates listed below, HIPAA covered entities must use NPIs to identify health care providers in standard transactions. These transactions include claims, eligibility inquiries and responses, claim status inquiries and responses, referrals, and remittance advices.

Health care providers include individuals, such as physicians, dentists, and pharmacists, and organizations, such as hospitals, nursing homes, pharmacies, and group practices. Health care providers who transmit health information electronically in connection with any of the standard transactions are required by the NPI Final Rule to obtain NPIs, even if they use business associates, such as billing agencies, to prepare the transactions.

The NPI will replace health care provider identifiers that are in use today in standard transactions. Implementation of the NPI will eliminate the need for health care providers to use different identification numbers to identify themselves when conducting standard transactions with multiple health plans. Many health plans, including Medicare, Medicaid, and private health insurance issuers, and all health care clearinghouses must accept and use NPIs in standard transactions by May 23, 2007. Small health plans have until May 23, 2008. After those compliance dates, health care providers may use only their NPIs to identify themselves in standard transactions, where the NPI is called for.

You will be able to apply for your NPI in one of three ways:

- You may apply through an easy web-based application process, beginning May 23, 2005. The web address is <https://nppes.cms.hhs.gov>.
- You may prepare a paper application and send it to the entity that will be assigning the NPI (the Enumerator) on behalf of the Secretary, beginning July 1, 2005. A copy of the application, including the Enumerator's mailing address, will be available on <https://nppes.cms.hhs.gov>. You may also call the Enumerator for a copy. The phone number is 1-800-465-3203 or TTY 1-800-692-2326.
- With your permission, an organization may submit your application in an electronic file. This could mean that a professional association or perhaps a health care provider who is your employer could submit an electronic file containing your information and the information of other health care providers. This process will be available in the fall 2005.

Remember, you may apply for an NPI using only one of the ways described above. When gathering information for your application, be sure that all of your information, such as your social security number and Federal employer identification number, are correct. Once you receive your NPI, safeguard its use. The application form contains a Privacy Act Statement, which explains how we may disseminate the information collected in the application.

You may receive notices about the NPI from many of the health plans with which you do business. Remember that you need apply only once for an NPI. The same NPI is used for every health plan.

The transition from existing health care provider identifiers to NPIs in standard transactions will occur over the next couple of years. We urge health care providers to apply for an NPI beginning on May 23, 2005. While the NPI must be used on standard transactions with health plans, other than small health plans, no later than May 23, 2007, health care providers should not begin using the NPI in standard transactions on or before the compliance dates until health plans have issued specific instructions on accepting the NPI. Health plans will notify you when you can begin using NPIs in standard transactions. You should be aware that health plans might request that you begin using your NPI prior to the compliance dates. Applying for an NPI does not replace any enrollment or credentialing processes with any health plan, including Medicare.

You may obtain information about the NPI at www.cms.hhs.gov/hipaa/hipaa2. This site contains Frequently Asked Questions and other information related to the NPI and other HIPAA standards.

Beginning May 23, 2005, we will also provide up-to-date information about the NPI, such as when and how to apply on the NPPES web site at <https://nppes.cms.hhs.gov>, or you may call the Enumerator at 1-800-465-3203 or TTY 1-800-692-2326.

Sincerely,

/s/

Mark B. McClellan, M.D., Ph.D.