National Provider Identifier

WHAT: The National Provider Identifier (NPI) is a unique 10-digit numeric identifier assigned to health care providers by the Centers for Medicare and Medicaid Services (CMS). It replaces all previous identifiers, such as the UPIN, NABP, DMAP or Medicare numbers. Health care providers, intermediaries and health plans must begin to use the NPI when exchanging medical information in an electronic format.

WHO: CMS defines the "covered entities" that must comply with the NPI requirement. Examples of covered entities are health plans, physicians, dentists, pharmacists, pharmacies, hospitals, nursing homes, group practices, nurses, health care clearinghouses, state Medicaid offices and Medicare. Taxi services, housekeepers and like services cannot apply for an NPI since they do not provide medical services to their clients.

WHERE: Electronic medical data is exchanged for a variety of purposes: reimbursement of services provided, verifying eligibility, claims status inquiries, managed care enrollment information, etc. CMS established a standard format for this exchange most commonly referred to as HIPAA transactions or electronic data interchange (EDI).

WHEN: All covered entities except small health plans must be compliant by May 23, 2007. Small health plans have until May 23, 2008 to begin accepting NPIs from providers.

WHY: The Health Insurance Portability and Accountability Act (HIPAA) of 1996 mandated that the Secretary of Health and Human Services adopt standard unique health identifiers for health care providers. The purposes of these provisions are to improve the efficiency and effectiveness of the electronic transmission of health information.

DHS NPI Implementation Plan

The Division of Medical Assistance Programs (DMAP) is the primary user of electronic medical data exchanged through the current Medicaid Management Information System (MMIS) for claims payment and other required standards. For this reason, DMAP is taking the lead on the Department's NPI Implementation Plan.

DMAP has assigned specific staff dedicated to the NPI Implementation Project. This team will develop a planned approach to complete an implementation strategy to compliment the current MMIS system to meet the May 23, 2007, compliance deadline. DMAP will work, on behalf of the Department of Human Services (DHS), in collaboration with other parts of DHS, such as Alcohol and Mental Health Division (AMHD) and Seniors and People with Disabilities (SPD), to evaluate all possible payment systems that could be impacted by the NPI requirement.

Because DHS is on pace to replace the current MMIS, the NPI Project will only complete the minimum work necessary to modify the current MMIS to meet the compliance deadline. The NPI Project staff will work with the MMIS Replacement Project to jointly complete the collection, implementation, and communications components of the deliverable specific to provider education and training.

When will DHS begin using the NPI for paying claims?

DHS will not require the use of NPIs on electronic submissions or paper claims until May 23, 2007. See the DHS time line available on this web site.

What if I bill on paper?

DHS made a business decision to require all affected providers to submit their NPI when billing on paper by the implementation date of May 23, 2007. Providers billing on paper will be required to continue to include their assigned DMAP number. The taxonomy code(s) are optional on paper. This also means providers billing on paper need to begin using the revised claim forms e.g. CMS 1500 for professional claims and the UB 04 for institutional claims upon availability.

Can I use my NPI on claims now?

DHS will accept the NPI on all claim formats; however, the DMAP six-digit number must be present until the NPI implementation date of May 23, 2007, for electronic and on going for paper claims. DHS' MMIS will only recognize the six-digit DMAP number at this time.

Why is the taxonomy code important?

Claims that come to DHS after May 23, 2007, without a taxonomy code may not process correctly. See the Definitions section to understand the use of the taxonomy code. The system, in most cases, needs both the NPI and taxonomy code to make a connection to the DMAP # in order to insure appropriate payment.

Who is not allowed to obtain an NPI? CMS determined that some entities are not considered health care providers and thus cannot apply for an NPI. Examples of such entities are taxis, transportation brokerages, billing service, clearinghouse, wheelchair transports, etc. DMAP bases its exemptions on those requirements. Non-covered entities (also called atypical providers) will continue to bill us with their "legacy" six-digit DMAP numbers as allowed by CMS.

To assist in this determination the following definitions have been included.

DEFINITIONS

BILLING AGENT/SERVICE:

Third parties or organizations that contract with a Trading Partner (as defined in DHS EDI rules) to perform designated services in order to facilitate a Transaction or the conduct of other business functions on behalf of the Trading Partner. Examples of Agents include billing agents, including but not limited to the following: healthcare clearinghouses, vendors, billing services, service bureaus, and accounts receivable management firms. Agents may also include clinics, group practices and facilities, including the following: an employer of a Provider, if the Provider is required as a condition of employment to turn over his or her fees to the employer; the facility in which the service is provided, if the Provider has a contract under which the facility submits the claim; or a foundation, plan, or similar organization operating an organized health care delivery system, if the Provider has a contract under which the organization submits the claim. Agents may also include EDI Submitters as that term is defined in DHS EDI rules.

COVERED ENTITY:

The Administrative Simplification standards adopted by the U.S. Department of Health and Human Services (HHS) under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Administrative Simplification Provisions apply to any entity that is a health care provider that conducts certain transactions in electronic form (called a "covered health care provider"), a health care clearinghouse, or a health plan. An entity that is one or more of these types of

entities is referred to as a "covered entity" in the administrative simplification regulations.

HEALTH CARE:

Care, services, or supplies related to the health of an individual. It includes, but is not limited to, the following: (1) preventive, diagnostic, rehabilitative, maintenance, or palliative care, and counseling, service, assessment, or procedure with respect to the physical or mental condition, or functional status, of an individual or that affects the structure or function of the body; and (2) sale or dispensing of a drug, device, equipment, or other item in accordance with a prescription. See 45 C.F.R.160.103.

HEALTH CARE CLEARINGHOUSE:

A "public or private entity ... that does either of the following functions: processes or facilitates the processing of health information ... in a nonstandard format or containing nonstandard data content into standard data elements or a standard transaction."

MEDICAL CARE:

Amounts paid for: (A) diagnosis, cure, mitigation, treatment or prevention of disease, or amounts paid for the purpose of affecting any structure or function of the body; (B) amounts paid for transportation primarily for and essential to medical care referred to in (A); and (C) amounts paid for insurance covering medical care referred to in (A) and (B). See 42 U.S.C. 300gg-91(a)(2).

TAXONOMY CODE:

The provider taxonomy code is a unique alphanumeric code, ten characters in length. The code list is structured into three distinct levels including provider type, classification, and area of specialization. The provider taxonomy code list allows a single provider (individual, group or institution) to identify their specialty category. Providers may have one or more taxonomy codes associated with their practice. When determining what code or codes to associate with a provider, the provider should review the requirements of the trading partner with which the code(s) are being used.

TYPE 1 ENTITY:

This is a health care provider who is an individual human being: a physician, nurse, dentist, chiropractor, pharmacist, or physical therapist, among others. The Type 1 NPIs are assigned for life, unless circumstances justify deactivation.

TYPE 2 ENTITY:

   This is an organization such as a hospital, home health agency, clinic, nursing home, residential treatment center, laboratory, ambulance company, group practice, pharmacy, HMO, or supplier who deals in durable medical equipment and supplies related to health care, prosthetics or orthotics. Group practices could be considered a Type 2 organization of health care providers. Type 2 "entities" could also include subparts of an organization such as a nursing facility owned by a hospital, a clinic owned by a healthcare delivery system, etc. Provider organizations determine the number of Type 2 NPIs the organization needs.