

MHDC NPI ADVISORY

Release 1 January 2005



Subject: National Provider Identifiers (NPI)

Who Is MHDC?:

The Massachusetts Health Data Consortium (MDHC) is a 26-year old regional collaborative of hospitals, physicians, payers, government agencies and other health care organizations focused on health data issues. A workgroup of MHDC has come together to communicate important information regarding the National Provider Identifier (NPI).

What is an NPI?:

The National Provider Identifier (NPI) is a unique health provider identifier issued by the government in accordance with regulations published in the Federal Register, as part of the Administrative Simplification section of the HIPAA legislation. NPIs will be assigned to health care providers, including individual practitioners and organizations.

- It will simplify the administrative processing of certain health care information and improve the efficiency and effectiveness of standard electronic transactions.
- The NPI will replace all other billing provider numbers and is REQUIRED to get paid for services rendered.
- It will NOT replace providers' federal DEA, Tax ID, or EIN numbers. It is neither a credentialing system nor will it guarantee a provider has a professional license.
- There is no cost associated with applying or obtaining an NPI.
- This change will immediately impact those who are billing electronically.
- All providers and organizations who provide medical services are entitled to an NPI.

Compliance Dates:

Providers should begin applying for NPIs in May 2005. Large health plans must begin using the NPIs by May 2007. Small health plans must begin using the NPIs by May 2008.

What should providers and their organizations be doing now?:

- Review internal systems to determine how you will store the NPI; contact vendors and internal areas impacted by the NPI to determine their readiness to accept and test usage of the NPI.
- Focus internally on gap analysis/assessment stage.
- Contact health plans for testing information.
- Decide who will be applying for an NPI on the provider's behalf and provide authorization.
- Organizations should determine how they are going to find out the NPIs of their providers and, if they are going to obtain NPIs on behalf of their providers, begin to review and verify the required information.
- Organizations should determine their subpart assignments; this is a complicated task and will require some planning.
- Communicate internally and externally with associates and providers to deliver the consistent message.

MHDC is exploring ways to make this process more efficient for providers. For example, there is a *possibility* of a bulk application process with the Massachusetts Board of Registration in Medicine. Future NPI Advisories will bring you further updates.

Reminders:

Outside vendors may be contacting you offering to apply for an NPI on your behalf. To do this they will require some personal information and an authorization. Review the requests and understand where the information will be used. **YOU SHOULD GIVE AUTHORIZATION TO ONLY ONE ENTITY TO APPLY FOR AN NPI ON YOUR BEHALF.** Remember you will be able to apply for an NPI for no cost on a CMS website soon.

You can review the most recent NPI information on the CMS web site at <http://www.cms.hhs.gov/hipaa/hipaa2/regulations/identifiers/default.asp> or you can call your professional society.