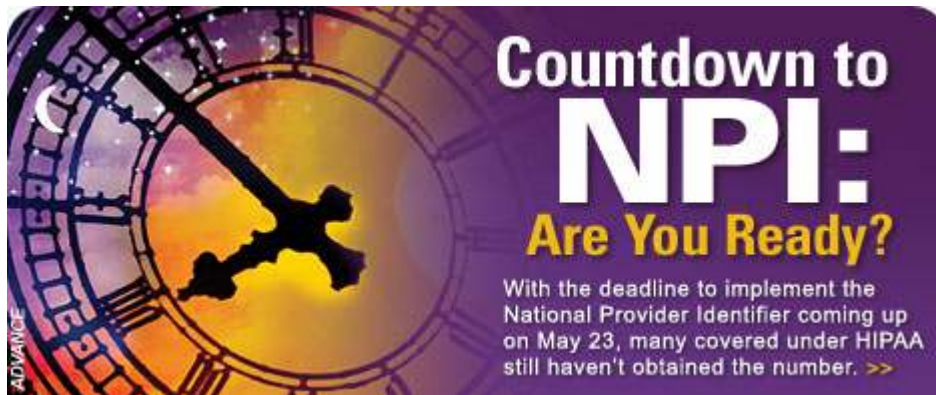




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## **NPI: Claiming Your Identity**

*With the deadline to implement the National Provider Identifier coming up on May 23, many covered under HIPAA still haven't obtained the number, which is mandated by the Centers for Medicare and Medicaid Services.*

By Lynn Jusinski

Did you take a number? The National Provider Identifier (NPI) Final Rule was published in early 2004, and the Centers for Medicare and Medicaid Services (CMS) began issuing the 10-digit numbers May 23, 2005. With the deadline to obtain an NPI, May 23, 2007, fast approaching, now is a good time to examine the past, present and future of the identifier.

### Countdown to Compliance

The NPI is a 10-digit number with one digit acting as a check digit. The number is intelligence-free, meaning that the digits aren't linked to information about the providers. With an intelligence-free identifier, providers won't have to change NPIs if they change the state they practice in, for example, as they would have to do if a specific digit tied into a state where they practice.

All covered entities are required to have NPIs for HIPAA standard transactions. CMS opened up the enumeration process for these covered entities in May 2005, and set a deadline for compliance of May 23, 2007. For smaller health plans—those with less than \$5 million in annual revenue—the deadline for using only the NPI is pushed back a full year, to May 2008.

Now What?

Over 2 million providers have garnered NPIs, according to Medicare Spokesman Aaron Hase, and that's more than 85 percent of the estimated total provider population. "That's not bad," Hase commented. "However, we do need to get to 100 percent, and are stepping up our outreach messages so that we get there as soon as possible."

NPIs are enumerated either online or by mail. CMS has touted the process as "fast, easy and free," and according to Hase, the feedback has held true to those boasts. "Providers have told us that the system is fast and easy to use."

Walter Johnstone, director of EDI support at Misys Healthcare Systems, holds the responsibility of supporting all Misys clients that use the Misys PayerPath Clearinghouse. He has a client base of about 90,000 physicians, and he's heard good things about the NPI enumeration process. "Our clients have not had any problems obtaining an NPI," Johnstone said.

### Sharing Is a Must

However, NPI compliance doesn't just mean having an NPI—the NPI must be shared, used by covered entities on all HIPAA covered transactions that call for provider identifiers. That means that as of the May 23 deadline, covered entities should be using the NPI—and only the NPI, not any legacy identifiers—on covered transactions.

Hase said that many providers have the misconception that once obtained, the NPI should be kept under wraps. Not so, according to Hase. "Some providers believe that they should not communicate their NPI to others who will need it to create claims and other transactions, for instance, physicians not sharing their NPIs with hospitals where they practice," Hase explained.

Another issue with full compliance, having and using the NPI, is the testing period associated with NPIs. "Some providers may not be aware of the lead time they need to test their NPIs with their health plans—we have been making this point in our outreach materials," Hase stated.

Johnstone saw the same trend at Misys—75 percent of the claims submitted have NPIs on them, but only 5 percent of the client base are in full compliance with the NPI final rule, Johnstone said. "I think it's a procrastination issue," Johnstone said. "It seems like until their backs are up against the wall, the practices are pretty busy and they just procrastinate doing it until it becomes an absolute requirement."

According to guidance issued by CMS on the NPI rule, CMS understands that transactions involve two parties, and if one covered entity doesn't comply with the rule it may put the other entity in a sticky situation. Also, small health plans may throw a wrench in the system, as they don't need to comply for another full year, so full compliance by the covered entity may be difficult.

## Breathing Room

All this may be a bit stressful, and CMS realized that. On April 2, CMS clarified the guidelines for NPI deadline implementation. “Our research indicated that a significant number of Medicare providers would likely not be ready to submit NPIs by the May 23 deadline. Our contingency plan will allow us to continue to work with those providers to achieve compliance without disrupting payment flows,” Hase explained.

Covered entities that are making a “good faith effort” to comply with the NPI provisions may implement contingency plans for up to 12 months, according to the contingency guidelines. Also, CMS will look to voluntary compliance, and rather than hunting down those not in compliance, CMS will use a complaint-driven system for enforcing the NPI compliance. Upon receiving a complaint, the guidelines state, CMS will notify the covered entity, and the entity can show that they are complying, prove that they have made a good faith effort to comply or submit a plan to correct issues to CMS.

Many questions have arisen around the contingency plan, and CMS held a free audio conference several weeks ago that had more than 7,000 sites pre-register, Hase said. He encouraged anyone with questions surrounding the contingency plan to visit the CMS Web site and/or participate in a second audio conference that will be held May 10 on the contingency plan.

## On to the Future

The contingency plan does not mean that covered entities have another year to worry about getting an NPI. CMS encourages all covered entities to acquire NPIs prior to the May 23 deadline. In the Frequently Asked Questions portion of the CMS Web site, it’s stated that “Failure to obtain an NPI may be viewed as a violation of the good faith provisions of CMS’ contingency guidance.”

Johnstone believes that the contingency is a good idea in that it will give those who haven’t been able to implement NPIs some breathing room. But he also is worried that it could mean providers waiting another year before fully adopting the NPI. “Now it’s just going to drag out month by month over the next year as individual payers start to require the identifier, so it really is going to delay the industry and not have the sense of urgency that we’ve had to date on the overall project,” Johnstone related.

Hase is hopeful that won’t be the case. “Don’t wait. Get your NPI now,” Hase urged. “It’s fast, easy and free to do online. Share it with others who need it, and use it on claims and other transactions as soon as you are able.”

Although NPI implementation may seem a bumpy road now, the final destination should be a good one. Overall, the NPI will reduce administrative overhead, Johnstone said, and the need for multiple identifiers will be eliminated. “I think we’re going to see a tremendous reduction in enrollment paperwork, in just administrative costs overall, but it’s going to take a while for that to happen,” Johnstone explained.

More information on the obtaining and using an NPI can be found at [www.cms.hhs.gov/National ProvIdentStand/](http://www.cms.hhs.gov/NationalProvIdentStand/).