

# AMERICAN ACADEMY OF NURSE PRACTITIONERS

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## National Provider Identifier (NPI) Numbers

The long awaited national provider identifier that will be utilized in standard health transactions is now available. Starting on May 23, 2005, all health care providers may apply for their National Provider Identifier (NPI) by going to <https://cms.hhs.gov> on the web. A paper/pencil application was made available beginning July 2, 2005. This can be obtained from the above mentioned website or by calling 1-800-465-3203.

The objective of the proposed National Provider Identifier system is to assign a unique national identifier number to each and every provider of Medicare health care services - individuals, organizations and groups. This includes physicians, nurses, nurse practitioners, dentists, pharmacists, physical therapists, physician group practices, acute care hospitals, long term care facilities, outpatient facilities, nursing home facilities, hospices, home health agencies, ambulance service providers, clinical laboratories, durable medical suppliers, health maintenance organizations, pharmacies and more. The number would be used in standard transactions by all health plans eliminating the current system of multiple numbers for a single provider.

This number will eventually eliminate the need for multiple provider numbers for single provider PIN and UPIN numbers as well as the utilization of DEA numbers as an identifier for standard provider transactions. While you can apply now for your number, the requirement for its use in transactions is not until May 23, 2007, and for small businesses, May 23, 2008. A schedule of implementation by Medicare for electronic billing may be found on the following page.

### Need for a Standard Health Care Provider Identifier

Work on the system was begun by CMS in July 1993. A work group consisting of representatives from the private sector, Federal and State agencies was organized to define the need for and structure of the system. The need is described by the work group as follows:

Currently, there is no universally accepted national identification and enumeration system for health care providers. Providers must use multiple identifiers for programs and organizations with which they do business. Data are not readily transportable among systems and, thus, must be collected redundantly. The problems and costs of exchanging provider data are great, hampering coordination of benefits and fraud and abuse detection efforts.

NPI numbers will eventually replace UPINs and Physician Identification Numbers/billing numbers (PINs) for physicians/practitioners. The NPI system will also replace National Supplier Clearinghouse (NSC) numbers for suppliers and the Online Survey Certification and Reporting system (OSCAR) numbers for institutional providers of service as well. The National Provider System (NPS) will contain all of the information currently found in the UPIN Master file and the Provider of Services file. The work group considered using these existing numbers for the new NPS, but found that none of the existing systems met the criteria they established for comprehensiveness, suitability, expandability, portability and computer format.

"On August 21, 1996, Congress passed the Health Insurance Portability and Accountability Act (HIPAA). HIPAA includes provisions to address the need for a standard health care provider identifier and other standards that would lead to administrative simplification. It mandates the establishment of these standards for use in the following electronic transactions: health claims, health encounter information, health claims attachments, health plan

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enrollments and disenrollments, health plan eligibility, health care payment and remittance advice, health plan premium payments, first report of injury, health claim status, and referral certification and authorization." The NPS is also intended to house the affiliation of providers to their subsidiaries and other pertinent financial relationships.

For example, it would identify if a physician has a financial interest in other healthcare providers such as clinical laboratories, HHAs, or DME suppliers.

A detailed description of the new National Provider System (NPS) was developed. The NPS document details the format of the identifier itself, the data elements and structure of the accompanying National Provider File, who has access to the individual data elements in the file, who would collect the information from providers and how the data would be collected. Alternative options for various aspects of the system were distributed for comment. Recommendations for the NPS were completed. A "Notice of Proposed Rulemaking" (NPRM) that recommended the adoption of the National Provider Identifier (NPI) as the standard health care provider identifier was published in the Federal Register on May 7, 1998. The public comment period on the NPRM closed on July 6, 1998. Because this is a "major rule", there was a 60-day Congressional review/concurrence period. After receiving and assimilating numerous comments from many sources on the NPS, the final rule went through clearance. The final rule for establishing and implementing NPI numbers was published in the Federal Register January 23, 2004.

**The following schedule is being implemented for the use of the NPI in Medicare billing:**

**January 3, 2006 – October 1, 2006:**

Medicare systems will accept claims with an NPI, but an existing legacy Medicare number **must also be on the claim**. Note that CMS claims processing systems will reject, as unprocessable, any claim that includes only an NPI.

Medicare will be capable of sending the NPI as primary provider identifier **and** legacy identifier as a secondary identifier in outbound claims, claim status response, and eligibility benefit response electronic transactions.

**October 2, 2006 – May 22, 2007:**

CMS systems will accept an existing legacy Medicare billing number and/or an NPI on claims. If there is any issue with the provider's NPI and no Medicare legacy identifier is submitted, the provider may not be paid for the claim.

*Therefore, Medicare strongly recommends that providers, clearinghouses, and billings services continue to submit the Medicare legacy identifier as a secondary identifier.*

Medicare will be capable of sending the NPI as primary provider identifier **and** legacy identifier as a secondary identifier in outbound claim, claim status response, remittance advice (electronic but not paper), and eligibility response electronic transactions.

**May 23, 2007 – Forward:**

CMS systems will only accept NPI numbers. Small health plans have an additional year to be NPI compliant.

**For information regarding the National Provider Identifier (NPI):** visit the Academy website at [www.aanp.org](http://www.aanp.org). Click first on regulation and then on National Provider Identifier. Applications are now being processed by the newly developed National Plan and Provider Enumeration System (NPPES). The National Plan and Provider Enumeration System may be reached at the following:

Email: [customerservice@npienumerator.com](mailto:customerservice@npienumerator.com)

Phone: 1-800-465-3203

Address: NPI Enumerator  
PO Box 6059  
Fargo, ND 58108-6059

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