

billing bytes

national provider identifier update

The Centers for Medicare & Medicaid Services is working toward instituting a one-step process that would allow providers to obtain national provider identifiers and enroll in Medicare at the same time.

By May 23, 2007, providers engaging in electronic transactions, health care clearing houses and large health plans must use a national provider identifier in standard transactions. Vendors should begin planning now for that implementation.

what is a national provider identifier?

An NPI is a unique, government-issued, standard identifier mandated by the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

The use of the unique identifiers will:

- Simplify the administration of certain health care information
- Improve efficiency and effectiveness of standard transactions

requirements and implementation of unique identifiers

The mandate requires that all providers of health care services, including both practitioners and organizations, obtain NPIs by May 2007.

HIPAA also requires that large health plans begin using NPIs by May 23, 2007.

When implemented in 2007, the assigned NPIs will replace other billing numbers. At that time, an NPI will be required for all covered entities that submit claims to be processed and reimbursed by health plans.

However, until May 2007, NPI will not replace other billing numbers. Providers should continue to use their proprietary health plan identifiers on all claims and submissions. Health plans are currently planning necessary modifications to accept NPIs.

preparation

To prepare for these changes, vendors can take a number of steps, including:

- Reviewing internal systems to determine the impact of NPIs
 - Can your systems accommodate the length of NPIs?
 - Can provider ID field lengths on both inbound and outbound transactions accommodate NPI?
 - Do you have the ability to access secondary identifiers? Will there be an internal crosswalk? If so, how will it be maintained?
 - Can you store taxonomy codes, if necessary? If so, how many per provider?
- Contacting partners and internal areas affected by the NPIs to determine their readiness to accept and test the use of NPIs

for more information

Health plans are collaborating on the NPI implantation with each other and with local providers under the direction of the Massachusetts Health Data Consortium. If you have further questions, please visit the MHDC Web site: www.mahealthdata.org.