NPI Impact on Health Care Providers -
Business Impact of the Implementation of
the NPI on Health Care Providers

Eleventh Annual HIPAA Summit /
Second HIT Summit
September 7-9, 2005
3.05 Shared HIT/HIPAA Issues
NPI Impact on Health Care Providers

Agenda

- Global Issues
  - Benefits
  - Business Issues
- Provider-Specific Business Issues
  - Organizational Providers
  - Individual Providers
- AMA and Forrester Study Results
- NUCC Update
Benefits

- 100% Portability (within United States)
- Provides for a unique identifier for all health care providers
- Eliminates the occasional re-assignment of provider numbers en masse
NPI Impact on Health Care Providers – Global Issues

- Benefits (continued)
  - Greater standardization of provider identifier X12N, CMS-1450, CMS-1500, ADA, and DDE transactions
  - Covered providers / Eligible providers who enumerate, supports a single contact point for NPI data
  - Potential simplification of COB
Benefits (continued)

- Potential simplification across disparate clinical and financial information systems – internal / external
- Clinical, RHIO, and EHR data benefits from single identifier
- Simplification of fraud and abuse, tracking of license revocation, and other criminal activities
NPI Impact on Health Care Providers – Global Business Issues

- Relationship Changes
  - Legacy Identifiers
    - Linked to the enrollment in a health plan
    - Assigned by health plan
    - Frequently identified service or location of service via embedded intelligence
    - Limited to claim submission and adjudication process
    - One Provider : Numerous identifiers per plan
NPI Impact on Health Care Providers – Global Business Issues

- **Relationship Changes**
  - **National Provider Identifier**
    - Assigned by single source at Federal level - NPPES Enumerator
    - Unique and assigned for life of provider
    - Permanent Professional Identity
    - Individual Providers: One NPI
    - Does not “auto-enroll” provider in plans
    - New: Covered Provider
    - Direct impact to other providers’ reimbursement
    - Covered Providers: Civil Monetary Penalties for non-compliance
    - May be used for any legal purpose
NPI Impact on Health Care Providers – Global Business Issues

- Review of state laws
  - Identify any conflicts or supplemental requirements
- Taxonomy codes
  - Identify any new plan requirements
- State licensure issues
  - Determine if there are any NPI-related requirements by state boards
NPI Impact on Health Care Providers –
Global Business Issues

- Implementation Steps
  - Assemble implementation team
  - Identify affected operational areas
  - Develop project plan
  - Identify affected trading partners / business associates
  - Contract Review
  - Audit/Validate Provider Data (Internal)
  - Determine application strategy
Implementation Steps - continued

- Identify technology issues
  - Gap analyses – Comprehensive Reviews
    - NPI
    - Taxonomy
  - Reports
    - Internal
    - External
    - Historic Reporting Issues
- Interfaces
- Document Imaging / Archival Systems
- Clinical Applications
- Freestanding Databases
Implementation Steps – continued
- Determine Subpart Strategy (Organizational Providers only)
- Determine taxonomy strategy
- Determine NPI collection / validation strategy
- Define disclosure / dissemination strategy
- Decide education and communication plan
- Determine testing and implementation strategies
  - Developed with each trading partner and business associate
Implementation Steps – continued

- Determine transition strategies
  - Developed with each trading partner and business associate
    - Compliance Date vs. Implementation Dates
    - Dual Identifier use in X12N transactions

- Regional Initiatives

- Continuity planning
  - Providers without NPIs in covered transactions
  - Referrals
NPI Impact on Health Care Providers –
Global Business Issues

Access to Provider NPIs
- Disclosure is key
- Disclosure required for use in standard transactions
- Dissemination
  - Many unknowns at this time
  - CMS committed to limiting NPPES access and protecting NPI
  - CMS will impose strict limitations for EFIOs regarding dissemination
NPI Impact on Health Care Providers – Organizational Providers

- **Educate Administration / Senior Leadership**
- **Business Processes**
  - Revenue Cycle Departments
  - Managed Care
  - Medical Staff Credentialing
  - Provider Enrollment
  - Medical Records
  - Practice Management
  - Decision Support / Reimbursement Analysis
  - Business Development
NPI Impact on Health Care Providers – Organizational Providers

- **Subparts**
  - Not a contractual issue; identifies the provider of service, not the service
  - Separately identifiable component of the larger organization
  - NOT a location identifier

- **Granularity Issue**
  - Go Fish

- **Communication and Negotiation**
  - Transaction-based Solutions
NPI Impact on Health Care Providers – Organizational Providers

- Requirements for Organizational Providers
  - Obtain an NPI for itself and/or subpart(s)
  - Use NPI to identify itself on standard transactions where required
  - Disclose its NPI when requested to any entity needing the NPI for a standard transaction
  - Report updates to NPS within 30 days of change
  - Require Business Associates to use all NPIs appropriately
  - Comply with requirements for subparts
  - Secure NPIs from any entity when needed for a transaction
Pharmacy Service Providers

- Pharmacies and Pharmacists will need to apply if covered health care provider
- The NCPDP transaction does not support dual identifiers. A plunge implementation strategy will have to be adopted for all pharmacies
- NCPDP will apply to be an EFIO
- NCPDP maintains information such as payment centers and pharmacy parent organizations as well as network affiliations in their database; the NPPES does not
Pharmacy Service Providers – con’t
- Disclosure - Highest Risk with Enormous Volume

Long Term Care
- Effective October 1, 2005, the NPI may be used on the Minimum Data Set (MDS) to identify the facility
Ambulance Services

- Enumeration will depend upon
  - Operational structure
    - Freestanding
    - Municipality
    - County
  - How services are billed
    - Ambulance Service
    - Provider
    - Plan Requirements (may change with NPI)
NPI Impact on Health Care Providers – Covered Entities

- The Application Gap
  - Must not overlook or under estimate impact
  - NPI component of HIPAA TCS Rule
  - All health care providers are eligible; not all are required
  - Federal enforcement limited
  - Situational requirements
  - Approaches being taken
NPI Impact on Health Care Providers – Individual Providers

- Business Processes
  - Front Desk
  - Scheduling / Registration
  - Billing / Appeals
  - Enrollment
NPI Impact on Health Care Providers – Individual Providers

- **Requirements**
  - Obtain an NPI for self
  - Use NPI to identify itself in required transactions
  - Disclose its NPI when requested to any entity needing the NPI for a standard transaction
  - Report updates to NPS within 30 days of change (Example: Address Change)
  - Require Business Associates to use all NPIs appropriately
  - Secure NPIs from any entity when needed for a standard transaction (Example: Referring Providers)
NPI Impact on Health Care Providers – Individual Providers - Concerns

- Security hazards – some physicians fear their personal data could be subject to identity theft, fraud or other abuse
- Access to database data – businesses desiring to market products and services to physicians
- Access to NPPES – balanced access for providers and payers to obtain necessary data for referring/ordering physicians, etc.
Some physicians have had trouble with the Internet-based interface when applying for NPI.

Some physicians don’t want to use an NPI and believe that new numbers will cause confusion and bureaucratic hassles rather than reduce them.

Some physicians have threatened to retire rather than place their personal information at risk.
Many providers have never heard about NPI

Although only HIPAA mandates use of NPIs in electronic transactions:
- NPI recommended for use in e-prescribing
- Clinical Systems
- Will payers require NPIs on paper claim forms? Probably.
NPI Impact on Health Care Providers
Known Barriers - Industry

- Education and Awareness
  - WEDI White Papers
  - WEDI NPI Outreach Initiative (NPOI)
  - CMS Website and NPI Viewlet
  - NPPES Website
  - Lack of information from constituent organizations

- Complex Adjudication Systems / Practices and Dependencies on Existing Practices
NPI Impact on Health Care Providers
Known Barriers - Industry

- Limitations in Rule and Enforcement
  - Application Gap
- Compliance Date Blinders
- Perception that the NPI’s use is limited to billing
- Time to Market Vendor Responses
NPI Impact on Health Care Providers
Impact Analysis

- There are no silver bullets
- Strategies are business need driven
  - Your Organization
  - Trading Partners
  - Business Associates
- Communication and Negotiation
- NPI is an industry issue
  - Reinforces need for Provider / Health Plan collaboration
The following survey information is from an AMA and Forrester study entitled “Physicians’ Use of Information Technology”
88% of claims are submitted electronically
47% submit claims directly to payers
41% submit claims through a clearinghouse
19% send claims to a billing service
6% do not submit claims (patient submits claims)
NPI Impact on Health Care Providers – Attachments for Physicians’ Claims

- 76% of physicians report that payers require attachments
- 20% of their claims require attachments
- 47% of attachments are “snail” mailed
- 23% of attachments are faxed
- 6% of attachments are sent electronically
- 5% of attachments are sent by messenger
- 2% of attachments are scanned images
8.6% reported that their practice has implemented an electronic prescribing system, but only on a limited scale.  
11.7% reported that they have implemented an electronic prescribing system throughout the practice.
14.2% reported that they have not implemented an electronic prescribing system, but have investigated and tested some systems.

62.5% reported that they have not investigated an electronic prescribing system for their practice.
NPI Impact on Health Care Providers – Physician Computer/Web Usage

- **Computer Users**
  - 1997: 42%
  - 1999: 41%
  - 2000: 75%
  - 2001: 82%
  - 2004: 98%

- **Web Users**
  - 1997: 20%
  - 1999: 37%
  - 2000: 70%
  - 2001: 78%
  - 2004: 95%
NPI Impact on Health Care Providers –
The NPI and the 1500 Paper Claim Form

- HIPAA does not require the NPI on the 1500 paper claim form.
- Claims are scanned into payers’ systems and the data on paper claims should be consistent with the data in electronic claims.
- The current 1500 is not designed to carry the NPI.
- The current form has not been updated for 15 years.
NUCC recommends use of NPI on paper form

NUCC Members:
American Medical Association
American Association for Homecare
State Medical Association
American Academy of Physicians Assistants
Centers for Medicare and Medicaid Services -- Medicare
Centers for Medicare and Medicaid Services -- Medicaid
Medical Group Management Association
National Association of State Medicaid Directors
• NPI Impact on Health Care Providers – The NPI and the 1500 Paper Claim Form

- NUCC – continued
  Blue Cross and Blue Shield Association
  Alliance for Managed Care
  National Uniform Billing Committee
  America’s Health Insurance Plans
  Dental Content Committee
  ANSI ASC X12N
  Health Level Seven
  Public Health Data Standards Consortium – state perspective
  Public Health Data Standards Consortium – federal perspective
The NUCC proposed some changes to the 1500 paper claim form to accommodate the NPI.

Survey and comment period was conducted.

The majority of the respondents agreed with the proposed changes.
- Cleveland Clinic Foundation
- Mayo Clinic
- Allina Hospitals and Clinics
- Children’s Hospitals and Clinics
- Fairview Hospital and Health Care Services
- Hennepin County Medical Center
- Hennepin Faculty Associates
- Park Nicollet Health Services
- North Side Medical Clinic
- Bayhealth Medical Center
- Carolina Regional Cancer Center
- River Crest Hospital

- Susquehanna Health System
- HealthEast Care System
- St. Mary’s/Duluth Clinic Health System
- University of Minnesota Physicians
- University of Minnesota School of Dentistry
- Universal Health Services
- UHS of Pennsylvania, Inc.
- Osceola County EMS
- Talbott Recovery Campus
- MediServ, Inc.
NPI Impact on Health Care Providers
Survey Responses - Providers

- Partners in Primary Care
- Digestive Health Management
- Richmond Radiologists, Inc.
- Radiology Associates of San Antonio, PA
- South Texas Radiology Group, PA
- Radiology Associates of Muncie, Inc.
- Metropolitan Pain Management Consultants, Inc.
- Endocrinology Associates of Houston
- Happyland Pediatrics
- 10 Solo Practitioners
- Athens Regional Home Infusion
- Infusion Partners
- Greenwood Genetic Center
- Fond du Lac Human Services Division
- Jefferson County Human Services
- Rehab Alliance Physical Therapy and Fitness
- Therapy in Motion
- Archibold High Tech Services, Inc.
- EyeMart Express
- Laboratory Corporation of America
NPI Impact on Health Care Providers
Survey Responses – Health Plans

- CMS
- Noridian Administrative Services, LLC – Medicare Part A
- Wisconsin Physician Services – Medicare Part B
- Virginia Medicaid
- State of Idaho – Medicaid
- California Medicaid
- Electronic Data Systems
- Department of Health and Hospitals
- Department of Health and Social Services
- Department of Veterans Affairs-HAC
- UnitedHealth Group
- Highmark, Inc.
- Blue Cross Blue Shield of Alabama
- Blue Cross Blue Shield of Florida
- Blue Cross Blue Shield of Minnesota
- Delta Dental Plan of Minnesota
- HealthPartners
- Medica Health Plan
- Preferred One
- UCare Minnesota
- Metropolitan Health Plan
- ACS Benefit Services, Inc
- The Regence Group
- Sagamore Health Network
- Wisconsin Physician Services Insurance Corporation
- Excellus Health Plan
NPI Impact on Health Care Providers
Survey Responses - Vendors

- McKesson
- Siemens Medical Solutions
  Health Services Corporation
- Misys Healthcare Systems
- Medata, Inc.
- MEDTRON Software
- PDS
- E-Z BIS, Inc.
- Accu-Med Services
- Medispec Management
  Services, Inc.
- Allwin Data
- Per-se Technologies, Inc.
- Clinix MIS
- Anexix, Inc.
- Physician’s Computer
  Company
- Electronic Data Systems
- Tele Comm Computer
  Systems, Inc.
- QuadraMed
- Specialized Clinical Services
NPI Impact on Health Care Providers
Survey Responses - Others

- CHAMPUS/TRICARE
- American Urological Association
- American College of Physicians
- American Association of Oral and Maxillofacial Surgeons
- American Psychological Association
- National Association of Social Workers
- American Health Information Management Association
- American Association of Healthcare Administrative Management
- Ingenix
- Connolly Strategies & Initiatives
- NextGen Health Information System
- Saltzer Medical Group

- Minnesota Hospital Association
- Minnesota Medical Association
- Minnesota Medical Group Management Association
- Minnesota Pharmacists Association
- Minnesota Dental Association
- Minnesota Department of Health
- Minnesota Department of Human Services
- Minnesota Department of Labor and Industry
- Minnesota Uniform Billing Committee
- Midwest Center for HIPAA Education
- HCPCS Committee
- Health Care Payer and Provider Advisory Council
Managed care contracts could be an issue
Possibly having to maintain use of old provider numbers from health plans as well as use of newer NPI and the “mapping” of this information will create a hardship
New software update
The proposed changes are an unnecessary burden to providers, billers, and payers of medical services
Major expense in either buying a new computer system or we would have to manually type every claim
NUCC approved the claim form for use in 2007

Next step – OMB to review and approve for CMS
### Diagnosis or Nature of Illness or Injury

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<th>Item</th>
<th>Description</th>
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<td>1.</td>
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<td>2.</td>
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### Medicaid Resubmission Code

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<th>Code</th>
<th>Original Ref. No.</th>
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### Prior Authorization Number

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### Date(s) of Service

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<th>To MM/DD/YYYY</th>
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### Procedures, Services, or Supplies

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### Diagnosis Pointer

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### Rendering Provider ID

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### Federal Tax I.D. Number

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### Patient's Account No.

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<th>$ Charge</th>
<th>Amount Paid</th>
<th>Balance Due</th>
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### Signature of Physician or Supplier Including Degrees or Credentials

(I certify that the statements on the reverse apply to this bill and are made a part thereof.)

### Service Facility Location Information

### Billing Provider Info & Ph #

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<th>a.</th>
<th>b.</th>
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NUCC Instruction Manual available at: www.nucc.org
Thank You

Jean P. Narcisi
National Uniform Claim Committee Chair

Michael A. Apfel
Truman Medical Centers
Kansas City, Missouri