

# The Thirteenth National HIPAA Summit



## **1.03 Advanced Issues in NPI Implementation**

Organizational Providers

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# Topics

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- Subpart Enumeration
  - Analysis
  - Strategy
- Business Associate Issues
- Trading Partner Issues
- Details

# Subparts – The Basics Revisited

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- ❑ *Permitted* unless a DMERC and a Medicare provider (then it is required)
- ❑ Not a separate legal entity
- ❑ Applies only to a department or group within a larger organization
- ❑ Business Office/billing entity is not a subpart; an individual cannot be a subpart
- ❑ Does not define a relationship with a plan or a contract
- ❑ Must be uniquely identifiable

# Subparts Analysis

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## □ Possible *Requirements*

- Certification – local, state, or federal
- Geographic – governance, management

## □ Possible *Needs*

- Contracts – commercial health plans
- Structure – operational needs

## □ NPPES Structure

- An NPI is an NPI is an NPI

# Subpart Analysis - Identification

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- How do you transact your claims / eligibility / other?
- How do you identify yourself when billing for services?
- IG Requirements
  - Not a cursory review
- Current Schema

# Subpart Analysis - Reimbursement

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- How are you reimbursed for services under the legacy system?
  - Analyze existing legacy identifiers
  - Understand why they are in place
  - Are they still used?
- Contracts
  - Service?
  - Location?
  - Lunar Cycle?
  - Provider manuals more helpful than contracts!

# Subpart Analysis - Reimbursement

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- Other tracking or reporting requirements
  - State Funding
  - Special Programs
  - Grants
  
- What do you need to know and when do you need to know it?
  
- Do you have to tell anyone else?

## Subpart Analysis – Follow the Money

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- How are revenue and reimbursement tracked in your information systems?
  - Patient Accounting
  - General Ledger
  - Denials Management
  - Contract Management
- Cost Reporting Impact



# Subpart Analysis

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- Assumptions
  - Providers want to use NPIs on all claims
  - Payers will require NPIs on all claims
- Coordination of Benefits

# Subpart Strategy

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- The Granularity Issue
  - One to Many
  - Many to One
- Lowest Level of Granularity
  - Not a 1:1 replacement
  - ***Consistency of presentation of NPI/Entity in transactions (regardless of medium)***
- 837, 835, UB-04, CMS-1500, ADA, and DDE must all be taken into consideration

# Subpart Myths

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## □ Zip + 4

- Supported in 4010A1 and 5010
- Supported on UB-04 and CMS-1500
  - Zip+4 designates location, not provider

## □ Taxonomy

- Over use results in an even exchange for legacy identifiers

# Subpart Myths

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- ❑ One Size Fits All
- ❑ “The Plans will tell me what to do.”
- ❑ Enumerate like jack rabbits and see how things look.
- ❑ Focus on 05/23/07
- ❑ “We still have nine months!”
- ❑ “Our vendor is handling it.”
- ❑ Secondary Identifiers Are The Silver Bullet

# Subparts Beyond 05/23/07

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- CMS FAQ 5816
- “How do covered entities implement the NPI in accordance with the NPI Final Rule, where the adopted versions of the Implementation Guides for the standard transactions (X12N version 004010 as modified [004010A1], and the NCPDP Telecommunication Standard Implementation Guide, Version 5, Release 1, and equivalent NCPDP Batch Standard Batch Implementation Guide, Version 1, Release 1 [Version 1.1]) appear to allow the use of other healthcare provider identifiers in addition to the NPI?”

# Subparts Beyond 05/23/07

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## □ FAQ 5816 Response

- A covered healthcare provider must use only its NPI to identify itself in standard transactions post-05/23/07
- Plans and clearinghouses must use the NPI of any provider (or subpart) to identify that provider (or subpart) in standard transactions (From §162.412(a) of the final rule)
- After 05/23/07 when an NPI is used, the only other identifier that may be reported is the tax identification number (EIN) *when required by the IG for tax purposes.*
  - Only permitted usage is the Billing and/or Pay-To Provider of the 837 Healthcare Claim

# Subparts Beyond 05/23/07

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- FAQ 5816 Response (con't)
  - For Claim Service Location:
    - After 05/23/07 the NPI is the only identifier permitted in these loops
    - The NPI is only to be reported when different than the NPI of the Billing or Pay-To Provider
    - Secondary identifiers are only allowed for non-healthcare providers

# Subparts Beyond 05/23/07

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- ❑ The Billing Provider must be a provider. Clearinghouses/other third parties are submitters and should not be represented as Billing Providers
- ❑ “Although the 4010A1 Guides provide the ability, the concept of a Pay-To Provider being a provider of service is not logical. It is merely an alternate address to direct payment.” (John Bock, X12N, co-author 5010 standard)



# Subparts

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- If a covered healthcare provider has created subparts, the Billing Provider will always be the lowest level of enumeration. It is this NPI that is sent to all payers.
  - Not a single NPI strategy—this is a “consistency strategy”
- Professional and Dental claims
  - Billing Provider should only be an individual when the provider is an unincorporated entity and not eligible for an organizational NPI.

## Subparts Beyond 05/23/07

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- NPI is not used within the Service Location loops for healthcare providers except when the service location is not part of the Billing Provider's organization
  - Example: outsourced lab services

# Business Associate Issues

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- Contracted Services, e.g., Emergency Room Physicians, Laboratory, Pharmacy, etc.
  - Billing for contracted services
- Have you communicated your intent?
- Have they communicated their intent?
  - Funny Story
- Vendor management is critical
  - Funny Story II

# Trading Partner Issues

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- ❑ 835 Contingency Plan ending October 2006
- ❑ The remittance must report the NPI as received in the claim
- ❑ Mapping needs to occur when the claim enters the payer system
  - Unlikely to occur
  - Communicate and understand

# Trading Partner Issues

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## □ 835 IG Requirements

- Check or EFT is created based upon the submitted NPI
  - Multiple checks per NPI are allowed
  - Multiple NPIs per check is not allowed
- Grouping payments from multiple NPIs to a single legacy ID (EIN) and reporting to a single NPI is not allowed

# Trading Partner Issues

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- Disclosure
- Sequencing
- Testing
- Transition
  - Dual Identifier Strategy
  - Plunge
- Do you know? Do they?

# Details

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- Policies & Procedures
  - Medical Staff By-Laws
    - Credentialing
  - Scheduling / Referrals
  - Reference Lab
  - Outpatient Pharmacy
  - Human Resources
  - Maintenance
  - Medicare Enrollment Changes
- Need help? Does your CFO *understand* NPI?



# Thank You

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## Questions