

## DHHS POLICIES AND PROCEDURES

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<b>Section IV:</b>	<b>General Administration</b>
<b>Title:</b>	<b>National Provider Identifier (NPI) - Individual Health Care Provider Enumeration (Type 1)</b>
<b>Current Effective Date:</b>	<b>10/3/06</b>
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### **Purpose**

This policy establishes the plan and responsibilities for enumerating individual health care providers within the North Carolina Department of Health and Human Services (NC DHHS) workforce as required by the Health Insurance Portability and Accountability Act (HIPAA) (Public Law 104-191) Standard Unique Health Identifier for Health Care Providers, 69 Fed. Reg. 3434-3469 (January 23, 2004) (to be codified at 45 CFR Part 162). The Standard Unique Health Identifier for Health Care Providers, also known as the National Provider Identifier (NPI), Final Rule establishes the NPI as the standard, unique, provider identifier to be used to identify the health care provider on HIPAA standard transactions. These transactions include claims, eligibility queries and responses, claims status queries and responses, referrals, and remittance advices. The NPI replaces all legacy numbers for providers such as Medicare/Medicaid identifiers, unique physician identification numbers, private health plan issued numbers, etc.

The purpose of the NPI is to improve the effectiveness and efficiency of the health care industry by enabling more efficient electronic transmission of certain health information and reducing the number of identifiers each health care provider is required to maintain.

### **Policy**

All DHHS direct care workforce members (state employees, contractors, temporary employees, volunteers, and interns) who **furnish health care services and/or supplies that are billed using HIPAA standard electronic transactions (i.e., are “covered health care providers”)** or **may initiate and / or receive referrals** must obtain a NPI Type 1 (individual) number and report it to designated staff within the division/facility/school as specified by the policies of that DHHS entity. In addition to obtaining an NPI, DHHS workforce members must update their NPI data in the National Plan and Provider Enumeration System (NPPES) within 30 days of a change.

DHHS divisions/facilities/schools may also require workforce members that furnish health care services and/or supplies that **are billed using paper claims** to obtain an NPI if use of NPIs is required by NC Medicaid or any other health plan as defined by this policy (i.e., Medicare, Teachers’ and State Employees’ Comprehensive Major Medical Plan, or external, private plan) that will pay for the services.

## Definitions

- **Covered Health Care Providers** – Health care providers who transmit any health information in electronic form in connection with a transaction for which a HIPAA standard has been defined by the Secretary of the United States Department of Health and Human Services (HHS).
- **Health Care Provider** – Per § 160.103, “a provider of services (as defined in section 1861(u) of the [Social Security] Act, 42 U.S.C. 1395x(u)), a provider of medical or health services (as defined in section 1861(s) of the [Social Security] Act, 42 U.S.C. 1395x(s)), and any other person or organization who furnishes, bills, or is paid for health care in the normal course of business.”
- **Health Plan** – Per § 160.103, “an individual or group plan that provides, or pays the cost of, medical care (as defined in section 2791(a)(2) of the PHS [Public Health Service] Act, 42 U.S.C. 300gg–91(a)(2)).

### 1. Health Plan Includes the Following, Singly or in Combination

- A. A group health plan, as defined in this section.
- B. A health insurance issuer, as defined in this section.
- C. An HMO, as defined in this section.
- D. Part A or Part B of the Medicare program under title XVIII of the [Social Security] Act.
- E. The Medicaid program under title XIX of the [Social Security] Act, 42 U.S.C. 1396, et seq.
- F. An issuer of a Medicare supplemental policy (as defined in section 1882(g)(1) of the [Social Security] Act, 42 U.S.C. 1395ss(g)(1)).
- G. An issuer of a long-term care policy, excluding a nursing home fixed-indemnity policy.
- H. An employee welfare benefit plan or any other arrangement that is established or maintained for the purpose of offering or providing health benefits to the employees of two (2) or more employers.
- I. The health care program for active military personnel under title 10 of the United States Code.
- J. The veterans health care program under 38 U.S.C. chapter 17.
- K. The Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) (as defined in 10 U.S.C. 1072(4)).
- L. The Indian Health Service program under the Indian Health Care Improvement Act, 25 U.S.C. 1601, et seq.
- M. The Federal Employees Health Benefits program under 5 U.S.C. 8902, et seq.
- N. An approved state child health plan under title XXI of the [Social Security] Act, providing benefits for child health assistance that meet the requirements of section 2103 of the [Social Security] Act, 42 U.S.C. 1397, et seq.

- O. The Medicare+Choice program under Part C of title XVIII of the Act, 42 U.S.C. 1395w-21 through 1395w-28.
- P. A high risk pool that is a mechanism established under state law to provide health insurance coverage or comparable coverage to eligible individuals.
- Q. Any other individual or group plan, or combination of individual or group plans, that provides or pays for the cost of medical care (as defined in section 2791(a)(2) of the PHS Act, 42 U.S.C. 300gg-91(a)(2)).

2. Health Plan Excludes

- A. Any policy, plan, or program to the extent that it provides, or pays for the cost of, excepted benefits that are listed in section 2791(c)(1) of the PHS Act, 42 U.S.C. 300gg-91(c)(1); and
- B. A **government-funded program** (other than one listed in paragraph (1)(A-P) of this definition):
  - 1. Whose principal purpose is other than providing, or paying the cost of, health care; or
  - 2. Whose principal activity is:
    - a. The direct provision of health care to persons; or
    - b. The making of grants to fund the direct provision of health care to persons.”

## Implementation

1. Workforce Members That Must Obtain a NPI

DHHS divisions/facilities/schools that provide health care services and/or supplies to clients and bill for those services will identify all workforce roles that must obtain an NPI for use on a HIPAA standard transaction. Examples of workforce members eligible for an NPI are:

- Credentialed health care providers (e.g., physicians, psychiatrists, dentist);
- Residents (i.e., physicians in training);
- Allied health and mental health professionals (e.g., physical and speech therapists, psychologists, physician extenders, clinical nurse specialists); and
- Health care suppliers (e.g., prosthetics and orthopedic device suppliers) that provide billable services or request referrals or consults.

2. Obtaining a NPI
  - A. Each health care provider workforce member identified by DHHS divisions/facilities/schools as needing an NPI is responsible for obtaining his/her NPI. **DHHS is not assuming responsibilities associated with individual health care providers applying for their NPI.**
  - B. DHHS divisions/facilities/schools are responsible for providing guidance materials to assist current workforce members and new hires in the procedures associated with NPI enumeration and collection. Instructions should include, at a minimum, the following information:
    1. Location of electronic and paper NPI application forms used by the NPPES.
    2. NPPES Help Desk telephone numbers and contact information for internal division/facility/school staff that can assist with the application process.
    3. Instruction on use of standardized DHHS practice location information and any other data elements that may need explanation when filling out the NPI application form.
    4. Instructions on how to report NPI data back to division/facility/school.
  - C. DHHS divisions/facilities/schools will collect NPI data from workforce members, to include at the minimum, the NPI number and associated taxonomy code(s).
3. Maintaining NPIs
  - A. NPIs are assigned for the life of the provider, unless the provider is a victim of fraud and as a result must obtain a new NPI.
  - B. DHHS divisions/offices/facilities are to ensure that when health care provider workforce members have a change of mailing address and/or practice location, or if other required data that was originally submitted to obtain the NPI changes, the workforce member updates his/her NPI data in NPPES within 30 days of the change.
  - C. Workforce members must update NPI data defined in NPPES within 30 days of the change.
4. Initial NPI Compliance Responsibilities and Timeline
  - A. To ensure that NPI enumeration of health care provider workforce members is occurring at an adequate rate, the divisions/offices/facility will report NPI statistics to the NPI Initiative Team located in the Division of Information Resource Management Project Office (DIRM) until compliance has been

deemed achieved regarding:

1. The number of workforce members that are expected to obtain NPIs; and;
  2. Status reports concerning the percentage of NPIs that have been collected to date.
- B. The following timeline for NPI enumeration and reporting completion by current workforce members will be observed to ensure compliance by May 23, 2007:
- By November 22, 2006, 50 percent of identified workforce enumerated.
  - By January 22, 2007, 75 percent of identified workforce enumerated.
  - By February 22, 2007, 85 percent of identified workforce enumerated.
  - By March 22, 2007, 95 percent of identified workforce enumerated.
  - By April 22, 2007, 100 percent of identified workforce enumerated.

## Exceptions

### 1. Atypical Providers

Individuals who currently furnish and bill for “atypical” or nontraditional services (e.g., non-emergency transportation, physical alterations to living quarters for the purpose of accommodating disabilities, respite care, case management, pastoral counseling, etc.) are not eligible for the NPI because either:

- The services they provide do not fall within the definition of “health care” provided in section 1861 (u) of the Social Security Act; or
- These workforce members are not considered providers of medical or other health services as defined in section 1861 (s) of the Social Security Act.

For these workforce members, the Centers for Medicare and Medicaid Services (CMS) has indicated that organizations will be permitted to use identifiers other than the NPI when conducting HIPAA standard transactions.

### 2. Non-Covered Health Care Providers

- Health care providers that do not bill for health care services and/or supplies electronically may be exempted from obtaining an NPI **unless required to bill using an NPI by the health plan that is paying for services furnished.** DHHS entities that offer health care services and/or supplies that are not billed electronically must consult with health plans that reimburse for those services to determine whether NPIs will be required for billing.

- Non-covered health care providers that are reimbursed for services by what are considered “government-funded programs”, per the definition of a health plan in this policy and § 160.103, are not required to obtain and use NPIs for billing the program.

## References

45 CFR Part 162; 65 FR 50315; §160.103; §162.402

*For questions or clarification on any of the information contained in this policy, please contact the policy owner or designated contact point: [DHHS.NPI@ncmail.net](mailto:DHHS.NPI@ncmail.net). For general questions about department-wide policies and procedures, contact the [DHHS Policy Coordinator](#).*