



The National Provider Identifier

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The National Provider Identifier (NPI)

The Health Insurance Portability and Accountability Act (HIPAA) of 1996 requires the adoption of a standard unique identifier for health care providers. The NPI Final Rule issued January 23, 2004 adopted the NPI as this standard.

What is a National Provider Identifier?

- The NPI is a 10-digit, intelligence free numeric identifier (10 digit number). Intelligence free means that the numbers do not carry information about health care providers, such as the state in which they practice or their provider type or specialization.
- The NPI will replace health care provider identifiers in use today in HIPAA standard transactions. Those numbers include Medicare legacy IDs (UPIN, OSCAR, PIN, and National Supplier Clearinghouse or NSC).
- The provider's NPI will not change and will remain with the provider regardless of job or location changes.

Having an NPI does not:

- Ensure a provider is licensed or credentialed;
- Guarantee payment by a health plan;
- Enroll a provider in a health plan;
- Turn a provider into a covered provider; and
- Require a provider to conduct HIPAA transactions.

Why do we need the National Provider Identifier?

- Simpler electronic transmission of HIPAA standard transactions;
- Standard unique health identifiers for health care providers, health plans, and employers; and
- More efficient coordination of benefits transactions.

Who can apply for the NPI?

- All health care providers (e.g., physicians, suppliers, hospitals, and others) are eligible for NPIs. Health care providers are individuals or organizations that render health care.
- All health care providers who are HIPAA-covered entities, whether they are **individuals** (such as physicians, nurses, dentists, chiropractors, physical therapists, or pharmacists) or **organizations** (such as hospitals, home health agencies, clinics, nursing homes, residential treatment centers, laboratories, ambulance companies, group practices, HMOs, suppliers of durable medical equipment, pharmacies, etc.) must obtain an NPI to identify themselves in HIPAA standard transactions.

What is a HIPAA-covered health care provider?

It is a health care provider who transmits any health information in electronic form in connection with a transaction for which the Secretary of HHS has adopted a standard, even if the health care provider uses a business associate to do

so. Go to <http://www.cms.hhs.gov/HIPAAGenInfo/Downloads/CoveredEntitycharts.pdf> to access a tool to help establish whether one is a covered entity.

Is a sole proprietor/sole proprietorship an individual or an organization?

A sole proprietor/sole proprietorship is an individual and is eligible for a single NPI. The sole proprietor must apply for the NPI using his or her own SSN, not an EIN even if he/she has an EIN. Because a sole proprietor/sole proprietorship is an individual, he/she cannot be a subpart and cannot designate subparts.

Who cannot receive an NPI?

Any entity that does not meet the definition of a “health care provider” at 45 CFR 160.103, which would include billing services, value-added networks, re-pricers, health care clearinghouses, non-emergency transportation services, and others.

When can we apply for the NPI?

Health care providers can apply **now** for their NPI on the National Plan and Provider Enumeration System (NPPES) web site <https://nppes.cms.hhs.gov/NPPES/Welcome.do>.

What is the deadline for applying and when will the NPI be effective?

All Entities:

- HIPAA covered entities such as health care providers who conduct HIPAA standard transactions, health care clearinghouses, and all but small health plans, must use **only** the NPI to identify HIPAA covered health care providers in standard transactions by **May 23, 2007**. Small health plans (less than 5 million dollars in annual revenues) must use **only** the NPI by **May 23, 2008**.

Medicare Providers:

- Medicare Fee-For-Service (FFS) providers can begin to use the NPI January 3, 2006. Medicare systems will accept claims with an NPI, but an existing Medicare legacy identifier **must also be on the claim**.
 - Starting October 2, 2006, Medicare FFS providers may submit an existing Medicare legacy identifier and/or an NPI on claims.
 - If you are not a Medicare FFS provider or supplier, you need to be aware of the NPI readiness schedule for each of the health plans with which you do business, as well as any practice management system companies or billing companies (if used). They should determine when each health plan intends to implement the NPI in HIPAA standard transactions.
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Will the NPI replace the Medicare certification or enrollment process?

No. The NPI will not change or replace the current Medicare enrollment or certification process. A HIPAA covered provider or supplier will not receive payment from Medicare until it is properly enrolled and certified in the Medicare program.

Resources for Additional Information

A CMS web page dedicated to providing all the latest NPI news for health care providers is available at <http://www.cms.hhs.gov/NationalProvidentStand/> on the web. This page also contains a section for Medicare Fee-For-Service (FFS) providers with helpful information on the Medicare NPI implementation.

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