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STEVEN M. GOLDMAN
Commissioner

BULLETIN 06-19

TO: ALL NEW JERSEY HEALTH INSURANCE COMPANIES; HOSPITAL SERVICE CORPORATIONS; MEDICAL SERVICE CORPORATIONS; HEALTH SERVICE CORPORATIONS; HEALTH MAINTENANCE ORGANIZATIONS; DENTAL SERVICE CORPORATIONS; DENTAL PLAN ORGANIZATIONS; PREPAID PRESCRIPTION SERVICE ORGANIZATIONS; ORGANIZED DELIVERY SYSTEMS; THIRD PARTY ADMINISTRATORS, THIRD PARTY BILLERS AND OTHER INTERESTED PARTIES

FROM: STEVEN M. GOLDMAN, COMMISSIONER

RE: NATIONAL PROVIDER IDENTIFIERS (NPI) – NOTICE OF A CONFERENCE AND COMPLIANCE INFORMATION

The Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191, usually referred to as "HIPAA"), mandated the adoption of standard unique identifiers for health care providers, as well as the adoption of standard unique identifiers for health plans, as part of an effort to improve the efficiency and effectiveness of the electronic transmission of health information. The Centers for Medicare & Medicaid Services (CMS) has developed the National Plan and Provider Enumeration System (NPPES) to assign these unique identifiers. The NPPES assigns a National Provider Identifier (NPI) to health care providers and a National Health Plan Identifier to carriers and other payers. Health care providers that are covered entities under HIPAA must obtain an NPI. CMS has specified that May 23, 2007 is the deadline for all parties to begin use of the NPI in electronic transactions; CMS requires payers to reject HIPAA electronic claims filings made without the 10-digit NPI on or after May 23, 2007. In addition, there is a clear expectation that NPIs will appear on all paper claim forms at some point in the future.

Currently, it appears that only about 25% of health care providers have applied for an NPI, and only about 18,600 NPIs have been issued to health care providers in New Jersey. This bulletin is intended to serve as a reminder that health care providers need to obtain an NPI, that carriers and billing agents should be alerting health care providers to this requirement, and to give notice of a conference at which additional information will be provided to health care providers and other interested parties about obtaining an NPI and the choices associated with requesting an NPI from the NPPES.

NJ DOBI HIPAA/HINT Task Force NPI Conference

DOBI, with the New Jersey Departments of Human Services and Health and Senior Services and Thomas Edison State College – all members of the HIPAA/HINT Task Force – will be hosting a series of statewide training sessions for the benefit of health care providers, payers, billing and claims handling vendors, and other interested parties, to discuss:

- How a health care provider may apply for an NPI
- What options are available to health care providers when applying for an NPI
- The effects of the options selected when making application for an NPI.

The kick-off conference will be held **Thursday, September 28, 2006, in Trenton, NJ**. Following the conference in September, the HIPAA/HINT Task Force will host additional training sessions for providers to give further training and guidance on the NPI process.

Interested parties should contact DOBI by *September 14, 2006* to register for the NJ DOBI HIPAA/HINT Task Force NPI Conference by fax at 609-292-5337 or by an email to EHRworkgroup@dobi.state.nj.us. Each person who plans to attend should complete the attached registration form separately, or otherwise provide the following information: name, title, organization, work address, office phone number, work email address. Following receipt of registration, DOBI will send an agenda and further details on the event.

Importance of the NPI Conference and Training Sessions

Awareness of the requirement to obtain and use an NPI needs to be raised in the health care and health insurance communities because it will have a major impact upon everyone concerned. Yet, many payers and health care organizations are just beginning outreach on the NPI issue. This bulletin and the September 28, 2006 conference marks the beginning of a unified, concerted NPI awareness communication campaign in New Jersey. What are some of the issues?

- ☆ The NPI – a 10-digit number assigned by the NPPES – will replace any proprietary numbers that health care providers and payers currently use. The NPI:
 - Will not convey information about the health care facility or health care professional, such as specialty or location.
 - Will not be required by law on non-standard electronic transactions or on paper transactions, but federal law will require it to be on standard electronic transactions on and after May 23, 2007, and payers may request that the NPI be used on all documents and transactions.
- ☆ Many payers that use proprietary IDs in their claims and enrollment systems would like to perform a crosswalk electronically between the new NPIs and their existing proprietary identifiers, but to do so payers must be able to develop a list of NPIs to cross-match against the proprietary IDs. The NPPES is supposed to provide such a crosswalk, but the NPPES has not yet released this information. Further, the data that NPPES intends to include in the NPPES' crosswalk is still an unknown. It may be

beneficial for health care providers, payers, clearinghouses and other vendors to work collaboratively to establish an efficient process to acquire accurate and uniformly-constructed NPIs now to avoid any interruption in the payment of claims.

- ☆ Some health care providers have choices among enumeration options when applying for NPIs. That is, some will be able to decide whether to be enumerated at a specialty or location level, or at the practice/facility level. The choices made will have a direct impact on the processing by payers (and their agents) of claims filed and the time within which claims are paid. For example:
 - Option 1 (enumerate at a specialty or location level) provides for easier submission of electronic transactions; however, a practice/facility may need to have multiple NPIs.
 - Option 2 (enumerate at the practice/facility level) allows for one NPI per practice/facility; however, transactions may need to be submitted with a Taxonomy Code and/or ZIP Code + 4 to ensure correct payment processing.
- ☆ Practice management systems and third party billing companies will need to be ready to use NPIs as of May 23, 2007 on electronic claims and other documentation. Health care providers and their billing agents will need to be able to apply multiple NPIs correctly when Enumeration Option 1 has been elected by a health care organization and also be able to include appropriate Taxonomy Codes and ZIP Code + 4 information when Enumeration Option 2 has been chosen.

DOBI and members of the HIPAA/HINT Task Force believe that a Statewide campaign intended to increase awareness of the need for all health care providers to obtain a properly selected NPI will help alleviate potential claims handling problems when the NPI becomes mandatory.

Questions and comments regarding this bulletin may be directed to William J. O’Byrne by fax at 609-292-5337 or email at wobyrne@dobi.state.nj.us. Please specify “HIPAA/HINT Task Force NPI Conference.” A copy of this bulletin will be posted to DOBI’s website at www.state.nj.us/dobi/legregs.htm.

8/14/06
Date

/s/ Steven M. Goldman
Steven M. Goldman
Commissioner

Registration Form HIPAA/HINT TASK FORCE NPI CONFERENCE When: September 28, 2006 Where: Trenton, New Jersey

Provide the requested information below for each individual who will be attending, and return the completed copy no later than September 14, 2006 by fax to: 609-292-5337; or, by email to: EHRworkgroup@dobi.state.nj.us There is no charge for registration for this conference. Following receipt of your registration, an agenda and more detailed information about the specific time and location will be forwarded to you.*

Please type or print:

Name:	
Title:	
Organization:	
Organization address:	
Office Phone Number (include area code):	
Office Fax Number (include area code):	
Email address:	

Questions? Contact William J. O’Byrne by fax at 609-292-5337 or email at wobyrne@dobi.state.nj.us. Please specify “HIPAA/HINT Task Force NPI Conference.”

*At this time, the expectation is that the conference will commence at approximately 9:00 A.M. on September 28, 2006. The specific location in downtown Trenton will be determined based upon the number of registrations received.