

# NPI: What You Need to Know



## What's Changed?

- Added Psychologists to the list of Individuals in the table named Health Care Providers Who are HIPAA-Covered Entities on page 4

You'll find substantive content updates in dark red font.

## Introduction

This booklet educates providers about the National Provider Identifier (NPI), who must get an NPI, and how to apply.

## Background

The NPI is a Health Insurance Portability and Accountability Act (HIPAA) Administrative Standard. An NPI is a unique identification number for covered health care providers, created to improve the efficiency and effectiveness of electronic transmission of health information. Covered health care providers, all health plans, and health care clearinghouses must use NPIs in their administrative and financial transactions.

The HIPAA Administrative Simplification provisions required the adoption of a standard, unique health identifier for each health care provider. The NPI Final Rule, published on January 23, 2004, established the NPI as this standard.

CMS developed the National Plan and Provider Enumeration System (NPPES) to assign these unique identifiers. For more information on how to apply for an NPI, refer to the [NPPES](#) webpage.

This booklet answers the following questions to help you become more familiar with the NPI:

- What's an NPI?
- Who may get an NPI?
- Who must get an NPI?
- Who may not get an NPI?
- What are the health care provider NPI categories?
- How do you apply for an NPI?
- Where can you find resources with additional information?

## **What's an NPI?**

An NPI is a 10-digit numeric identifier. It doesn't carry information about you, such as the state where you practice, your provider type, or your specialization. Your NPI won't change, even if your name, address, taxonomy, or other information changes.

In HIPAA standard transactions, providers must use the NPI in place of other provider identifiers, such as a Provider Transaction Access Number (PTAN), Quality Improvement Evaluation System (QIES), Certification and Survey Provider Enhanced Reporting (CASPER), and National Supplier Clearinghouse (NSC).

## **What are HIPAA Standard Transactions?**

HIPAA standard transactions are exchanges involving the transfer of information between 2 parties for specific purposes. HIPAA regulations established the following standard transactions for Electronic Data Interchange (EDI) of health care data:

- Claims and encounter information
- Claims status
- Coordination of benefits and premium payment
- Eligibility, enrollment, and disenrollment
- Payment and remittance advice
- Referrals and authorizations

For more information, refer to the [Transactions Overview](#) webpage.

## **Benefits of an NPI**

Benefits of an NPI include:

- Simple electronic transmission of HIPAA standard transactions
- Standard unique health identifiers for health care providers, health care plans, and employers
- Efficient coordination of benefit transactions

## **What an NPI Doesn't Do**

Getting an NPI won't:

- Change or replace your current Medicare enrollment or certification process
- Enroll you in a health plan
- Ensure you're licensed or credentialed
- Guarantee health plan payment
- Require you to conduct HIPAA transactions

## **How Do You Find an NPI?**

The **National Plan and Provider Enumeration System (NPPES)** assigns NPIs, maintains and updates information about health care providers with NPIs, and disseminates the NPI Registry and NPPES Downloadable File.

CMS discloses NPPES health care provider data under the Freedom of Information Act (FOIA). This data is disclosed in the NPI Registry and the NPI Downloadable File. Find more information on the [NPI Data Dissemination](#) webpage.

The [NPI Registry](#) is an online query system that allows users to search for a health care provider's information.

The [NPPES Downloadable File](#) contains disclosable information about health care providers with NPIs.

## **Who May Get an NPI?**

All health care providers (physicians, suppliers, hospitals, and others) may get an NPI. Health care providers are individuals or organizations that render health care as defined in [45 Code of Federal Regulations \(CFR\) 160.103](#).

## **Who Must Get an NPI?**

All health care providers who are HIPAA-covered entities, whether individuals or organizations, must get an NPI.

A HIPAA-covered entity is a:

- Health care provider that conducts certain transactions in electronic form
- Health care clearinghouse
- Health plan (including commercial plans, Medicare, and Medicaid)

Under HIPAA, you're a covered health care provider if you electronically transmit health information in connection with a HIPAA standard transaction, even if you use a business associate to do so.

For more information, refer to the CMS [Are You a Covered Entity?](#) webpage.

## **Do You Need an NPI to Enroll in Medicare?**

Yes. If you apply for enrollment in Medicare, you must have an NPI and put it on your enrollment application. The NPI Enumerator will reject enrollment applications without an NPI.

## Health Care Providers Who are HIPAA-Covered Entities

Individuals	Organizations
<p>Examples of individual HIPAA-covered entity health care providers include:</p> <ul style="list-style-type: none"> <li>• Chiropractors</li> <li>• Dentists</li> <li>• Nurses</li> <li>• Pharmacists</li> <li>• Physical Therapists</li> <li>• Physicians</li> <li>• <b>Psychologists</b></li> </ul>	<p>Examples of organization HIPAA-covered entity health care providers include:</p> <ul style="list-style-type: none"> <li>• Ambulance Companies</li> <li>• Clinics</li> <li>• Group Practices</li> <li>• Health Maintenance Organizations (HMOs)</li> <li>• Home Health Agencies (HHAs)</li> <li>• Hospitals</li> <li>• Laboratories</li> <li>• Nursing Homes</li> <li>• Pharmacies</li> <li>• Residential Treatment Centers</li> <li>• Suppliers of Durable Medical Equipment (DME)</li> </ul>

**Who May Not Get an NPI?**

Any entity that doesn't meet the definition of a health care provider as defined in [45 CFR 160.103](#) may not apply for an NPI. Such entities include billing services, value-added networks, repricers, health plans, health care clearinghouses, non-emergency transportation services, and others.

**What are the Health Care Provider NPI Categories?**

Two categories of health care providers exist for NPI enumeration purposes: Entity Type 1 (Individual) and Entity Type 2 (Organization).

**Entity Type 1: Individual Health Care Providers, Including Sole Proprietors**

Individual health care providers may get NPIs as Entity Type 1. As a sole proprietor, you must apply for the NPI using your own SSN, not an Employer Identification Number (EIN) even if you have an EIN.

As a sole proprietor, you may get only 1 NPI, just like any other individual. For example, if a physician is a sole proprietor, the physician may get only 1 NPI (the individual's NPI). The following factors don't affect whether a sole proprietor is an Entity Type 1:

- Number of different office locations
- Whether you've employees
- Whether the IRS issued an EIN to you so your employees' W-2 forms can reflect the EIN instead of your Taxpayer Identification Number (which is your SSN)

**Note:** An incorporated individual is a single health care provider who forms and conducts business under a corporation. A sole proprietor isn't an incorporated individual because the sole proprietor didn't form a corporation. If you're a sole practitioner or solo practitioner, it doesn't necessarily mean you're a sole proprietor, and vice versa.

## **Entity Type 2: Organization Health Care Providers**

Organization health care providers are group health care providers eligible for NPIs as Entity Type 2. Organization health care providers may have a single employee or thousands of employees. For example, an incorporated individual may be an organization's only employee.

Some organization health care providers are made up of components that function somewhat independently from their parent organization. These components may provide different types of health care or provide health care in separate physical locations. These components and their physical locations aren't themselves legal entities but are part of the organization health care provider (which is a legal entity). The NPI Final Rule refers to the components and locations as subparts.

An organization health care provider can get its subparts their own NPIs. If a subpart conducts any HIPAA standard transactions on its own (separately from its parent), it must get its own NPI.

Subpart determination ensures that entities within a covered organization are uniquely identified in HIPAA standard transactions they conduct with Medicare and other covered entities. For example, a hospital offers acute care, laboratory, pharmacy, and rehabilitation services. Each of these subparts may require its own NPI because each sends its own standard transactions to 1 or more health plans.

## **What If You're an Individual, Incorporated Health Care Provider?**

If you're an individual health care provider who's incorporated, you may need to get an NPI for yourself (Entity Type 1) and an NPI for your corporation or LLC (Entity Type 2).

**Note:** Subpart delegation doesn't affect Entity Type 1 health care providers. As individuals, these health care providers can't designate subparts and can't be considered subparts.

## **How Do You Apply for an NPI?**

Health care providers may apply for an NPI in 1 of 3 ways:

**Option 1:** Apply through [National Plan and Provider Enumeration System \(NPPES\)](#) with a web-based application. Individual providers must create a username and password through the Identity & Access Management (I&A) System and log in to NPPES using that username and password.

**Option 2:** Complete, sign, and mail a paper application Form [CMS-10114, NPI Application/Update Form](#) to the NPI Enumerator address listed on the form. To request a hard copy application through the NPI Enumerator, call 800-465-3203 or TTY 800-692-2326, or send an email to [customerservice@npienumerator.com](mailto:customerservice@npienumerator.com).

**Option 3:** Give permission to an [Electronic File Interchange Organization \(EFIO\)](#) to submit application data through bulk enumeration process.

## **What Must Covered Organizations Do When Applying for an NPI?**

An organization health care provider that is a HIPAA-covered health care provider must:

- Get an NPI
- Determine if it has subparts and if those subparts need to have their own NPIs
- Ensure its subparts that need to have their own NPIs do so by either getting the NPIs for them or instructing the subparts to get their NPIs themselves
- Ensure the subparts comply with the NPI Final Rule requirements placed on HIPAA-covered health care providers

## **Organizations Applying for NPIs on Behalf of Employed Providers**

The steps below give guidance for organization health care providers who want to apply for NPIs or submit updates to the NPPES on behalf of their employed health care providers.

**Note:** The process described below isn't the process for Electronic File Interchange (EFI) for bulk enumeration. Instead, an organization that's a health care provider should follow these steps when applying for an employee's NPI on an individual record-by-record basis.

### **1. Confirm Employee's Current NPI Status**

Ensure the health care providers for whom the organization will apply don't already have NPIs.

### **2. Verify Agreement with Health Care Provider Employees**

Determine if an agreement exists between the organization health care provider and its health care provider employees that give the organization the appropriate legal authority to act on behalf of those health care providers in taking actions such as completing NPI applications and updating transactions on their behalf. You may need legal counsel to determine if an existing agreement covers these types of actions. If such an agreement exists, it may not be necessary for the organization to take the actions described in items 3–5 below.

### **3. Notify Health Care Provider Employees of Collected Information**

Ensure the health care providers know about the information collected on the [NPI Application/Update Form \(CMS-10114\)](#). Ensure they read the Penalties for Falsifying Information on the National Provider Identifier (NPI) Application/Update Form, Certification Statement, and Privacy Act Statement sections of that form and agree to all relevant requirements.

### **4. Validate NPI Application Data**

Share the NPI application data with the health care providers represented in the application to ensure complete and correct data. The same applies to updating information.

### **5. Retain NPI Documents**

Ask the health care providers to sign a document indicating that you took the above actions and retain those documents as proof the health care providers knew about the actions taken on their behalf.

## 6. Designate Contact Person for NPI Confirmation

The NPPES sends an email to the Contact Person entered on a health care provider's NPI application. This email informs the Contact Person of the enumerated health care provider's NPI and contains some of the identifying information about the health care provider (including provider name, address, and Healthcare Provider Taxonomy Code and description).

If the organization submits an NPI application on behalf of a health care provider employee, the Contact Person designated by the organization gets the NPI notification email from the NPPES. The Contact Person must forward that NPI notification (or a copy) to the health care provider employee. This notification confirms that the NPPES assigned the health care provider employee an NPI and contains the NPI.

Organizational health care providers may feel it appropriate to have their legal counsel review this process.

## **Electronic File Interchange (EFI)**

EFI is an alternative process for health care providers applying for an NPI. Each EFIO can submit NPI application information for hundreds or even thousands of health care providers all at once in a single electronic file or in a series of electronic files.

EFI benefits both the health care providers and CMS. By allowing an EFIO to apply on its behalf, a health care provider itself doesn't have to apply for an NPI. This saves the health care provider time and resources. CMS benefits by saving the time and resources it would have expended if the NPI Enumerator (contractor that processes NPI applications) and the web-based system had to process NPI applications 1 at a time.

In addition to getting NPIs for health care providers, some EFIOs may also send changes or updates to the NPPES on behalf of enumerated health care providers to keep the providers' NPPES records current. To send changes or updates, the EFIO needs to get the permission of the health care providers. Whether to make changes or updates to a health care provider's NPPES record is a decision made between an EFIO and its associated health care providers.

### **Important!**

If the provider and EFIO agree for the EFIO to submit future changes on the provider's behalf, it's still ultimately the provider's responsibility to make sure that any updated information is supplied to the NPI Enumerator.

## **Resources**

For more information about the NPI, refer to the [National Provider Identifier \(NPI\) Standard](#) webpage.

- [Are You a Covered Entity?](#)
- [Data Dissemination](#)
- [EFI](#)
- [I&A System](#)
- [Medicare NPI Implementation](#)
- [NPPES](#)

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