



THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D C 20301-1200

HEALTH AFFAIRS

JAN 26 2005

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (RESERVE AFFAIRS)

ASSISTANT SECRETARY OF THE ARMY (M&RA)

ASSISTANT SECRETARY OF THE NAVY (M&RA)

ASSISTANT SECRETARY OF THE AIR FORCE (M&RA)

SUBJECT: Health Insurance Portability and Accountability Act National Provider Identifier Enumeration Policy for Military Health System Individual (Type 1) Health Care Providers

This policy memorandum establishes the plan for enumerating individual health care providers within the Military Health System (MHS) as required by the Health Insurance Portability and Accountability Act (HIPAA) (Public Law 104-191) National Provider Identifier (NPI) final rule (45 Code of Federal Regulations, Part 162). In order to institutionalize this policy within the Department of Defense (DoD), a DoD Instruction will follow within the next 180 days. The HIPAA NPI final rule establishes the NPI as the standard, unique, provider identifier. The NPI is to be used throughout the entire United States health care system to identify health care providers in HIPAA covered standard electronic transactions. 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.

Under provisions of the NPI final rule, individual health care providers who conduct HIPAA covered standard electronic transactions are considered "covered providers." They must obtain and use an NPI by May 23, 2007. While "covered providers" are required to obtain and use the NPI, all health care providers as defined by section 1861 (u) of the Act, or a provider of medical or other health services as defined in section 1861 (s) of the Act are eligible to be assigned NPIs and, therefore, may also obtain an NPI. Health care providers may apply for NPIs beginning approximately May 23, 2005.

The NPI final rule established two categories of health care providers for enumeration purposes. Entity Type 1 providers are individuals, such as physicians, nurses, dentists, and pharmacists. Entity Type 2 providers are organizational providers, such as hospitals, laboratories, pharmacies, clinics, and groups. This policy memorandum addresses the requirements related to Entity Type 1 (individual) providers.

**HA POLICY: 05-002**

A separate policy to address enumeration of Entity Type 2 (organizational) providers is under development

The policy guidance outlining how the Services are to implement the NPI in the MHS is found at attachment 1 Detailed instructions for individual providers are contained in attachment 2

My point of contact for this initiative is LCDR Stephanie Bardack at (703) 681-0064 or Stephanie.Bardack@tma.osd.mil

  
William Winkenwerder, Jr., MD

**Attachments**

As stated

cc:

Surgeon General of the Army  
Surgeon General of the Navy  
Surgeon General of the Air Force  
Director, Health and Safety, U S Coast Guard  
Reserve Component Surgeon General of the Army  
Chief, Naval Reserve  
Command Surgeon, Air Force Reserve  
Surgeon General of the Public Health Service

## **Policy Guidance for Implementation of the National Provider Identifier**

The following paragraphs outline the responsibilities of DoD and the Service Surgeons General regarding compliance with the NPI final Rule. These responsibilities were developed through analysis of the NPI final rule and MHS business processes by the NPI Integrated Project Team which included representatives from the Services and TMA.

- For DoD purposes, all Health Care Providers who furnish billable health care services or those who may initiate and / or receive referrals must obtain an NPI-Type 1; however, there may be situations where non-citizen health care providers working in MTFs may not be able to obtain NPIs because they do not have a Social Security Number or IRS Individual Taxpayer Identification Number. There may also be situations where individuals who currently furnish and bill for atypical or nontraditional services (e.g., pastoral counselors) are not eligible for the NPI because the services they provide do not fall within the definition of “health care” as defined by section 1861 (u) of the Act, or a provider of medical or other health services as defined in section 1861 (s) of the Act. In these situations, there is no requirement under HIPAA to use the NPI or use standard transactions when submitting electronic claims. The Centers for Medicare and Medicaid Services (CMS) indicated that in these situations, organizations will be permitted to use identifiers other than the NPI when conducting electronic transactions.
- DoD is responsible for ensuring enumeration of Army, Navy and Air Force health care providers that need to be identified in HIPAA electronic transactions. This includes all privileged providers, residents, and certain non-privileged providers. Non-privileged providers are required to obtain an NPI-Type 1 only if they request referrals; request consults or provide billable services. For example, Independent Duty Corpsmen who request referrals, Independent Duty Medical Technicians working in the cast clinic or a nurse giving Depo-Provera injections when the patient has not seen the physician would need to be identified in certain HIPAA electronic transactions.
- DoD will collect the NPI-Type 1 as needed from Reserve, National Guard, Coast Guard & Public Health Service Privileged Providers, Department of Veterans Affairs Co-Located Providers, and civilian providers if working for the MHS or in MHS facilities.
- Beginning approximately May 23, 2005, the Services are to ensure that providers fitting the description outlined above begin applying for their NPI on their own. They may apply either by web application via the National Plan and Provider Enumeration System (NPPES) or paper form. The NPPES is the system developed by the CMS that will assign NPIs to providers. Paper forms should be made available at MTF credentialing offices.
- The Services are responsible for ensuring that all privileged /credentialed providers (including reservists) obtain and submit their NPI to the TRICARE

Management Activity (TMA) designated data base / repository prior to 23 May 2007.

- The Services are responsible for ensuring that those non-privileged providers requiring an NPI-Type 1 obtain and submit their NPI-Type 1 to the designated data base / repository prior to 23 May 2007.
- In addition to ensuring that existing MHS covered providers obtain and maintain an NPI, the Services are also responsible for ensuring that providers who are new to the MHS obtain and submit their NPI to the TMA designated database / repository.
- The Services are to ensure that when providers have a permanent change of practice location, or if other data that was originally submitted in order to obtain an NPI changes, providers update their NPI data in the National Plan and Provider Enumeration System within 30 days of the change. To ensure these updates are completed in the required timeframe, it is recommended that updates become part of the in-processing procedures when providers permanently change station.
- In order to ensure that NPI Enumeration of individual providers is occurring at an adequate rate, the Services will need to report statistics to TMA regarding how many providers are expected to obtain NPIs and monthly status reports as to how many providers actually submitted NPIs starting in August, 2005. It is expected that:
  - By September 30, 2005 - 10 percent of affected providers have submitted their NPI to the TMA designated data base / repository.
  - By September 30, 2006 - 50 percent of affected providers have submitted their NPI to the TMA designated data base / repository.
  - By 4 months prior to deadline of May 23, 2007 – 75 percent of affected providers have submitted their NPI to the TMA designated data base / repository.
  - By 3 months prior to deadline of May 23, 2007 – 85 percent of affected providers have submitted their NPI to the TMA designated data base / repository.
  - By 2 months prior to deadline of May 23, 2007 – 95 percent of affected providers have submitted their NPI to the TMA designated data base / repository.
  - By 1 month prior to deadline of May 23, 2007 – 100 percent of affected providers have submitted their NPI to the TMA designated data base / repository.

To assist providers and staff with the enumeration process, the Service Surgeons General should disseminate Memoranda of Instruction approximately 45 – 50 days prior to the date the NPPES is scheduled to become available to begin enumerating providers.

Representatives from TMA and the Services have developed an implementing instruction template to assist the Surgeons General with the task of educating providers. This instruction template contains “need to know” information for providers and can be used as a guide to be tailored by each Service. It remains the responsibility of each Service to: designate a Service POC who will be available to assist providers as needed, develop an appropriate plan to ensure compliance by affected providers, designate an entity within each MTF to collect and enter NPIs into the designated TMA data repository and to provide progress reports to TMA as to the status of enumeration. In addition to this NPI-Type 1 Enumeration Policy, the instructions to providers should include at a minimum, the information below:

- Website address set up by CMS for completing applications online (to be made available by CMS).
- Any pertinent Helpdesk numbers provided by CMS to assist applicants with the application process (to be made available by CMS).
- Where to obtain paper application forms if that is the preference of the provider.
- Any instructions for completing the NPI- Type 1 application form specific to MHS providers, including Service points of contact and their telephone numbers.
- Instruction on use of standardized addresses and any other data elements that may need instruction when filling out the NPI application.

## **Instructions for Obtaining and Maintaining National Provider Identifiers for Military Health System Individual Health Care Providers**

TRICARE Management Activity (TMA) and representatives of the Services developed this instruction for individual military health care providers based on reference (a), to be followed when applying for National Provider Identifiers.

- Beginning approximately May 23, 2005, the following types of MHS health care providers need to apply for their NPI either by web application via the National Plan and Provider Enumeration System (NPPES) or paper form:
  - Any health care provider that needs to be identified in HIPAA electronic transactions
  - All privileged health care providers
  - Residents
  - Non-privileged health care providers - if their work involves requesting referral, requesting consult or providing billable service
- NPIs will be assigned at no fee by the Centers for Medicare and Medicaid Services (CMS) NPPES.
- Providers may apply for and will receive only one NPI. This NPI will be a permanent identifier, assigned for life, unless circumstances justify deactivation, such as a health care provider who finds that his or her NPI has been used fraudulently by another entity. In that situation, the provider can apply and will be eligible for a new NPI, and the previously assigned NPI will be deactivated. The NPI does not need to be renewed.
- CMS has made an on-line NPI application available at *<insert URL to become available>*. This application should be completed on-line by providers per the instructions given on-line. The information collected on the application is used to uniquely identify the health care provider.
- CMS has also made paper forms available which have been made available at Military Treatment Facility (MTF) *<insert name of office>* offices and for download at *<insert URL>*.
- The CMS toll-free number is available for provider inquiries regarding the NPI application process. Providers may obtain general information, request application forms or speak to a customer service representative by calling: *<insert 1-800-number>*.
- Providers may also contact the *<insert name of office>* office at their MTF for questions specific to the MHS' requirements for obtaining and using NPIs.
- Once NPIs are obtained, they must be submitted to the *<insert MTF office name>* office where it will be entered by *<insert MTF entity responsible for recording NPIs>* into the TMA database(s) / repository of record. Provider

NPIs will also be maintained in the provider's MTF credentials file by the MTF's credentialing authority and in the Centralized Credentials Quality Assurance System.

- When providers have a permanent change of practice location, or if other data originally submitted on the NPI application change, NPI data in the NPPES must be updated within 30 days of the change in order to remain HIPAA compliant. To ensure these updates are completed in the required timeframe, updates should become part of the in-processing procedures checklist when providers permanently change station.
- Reserve component providers need not update their NPI information in the NPPES when reporting to active duty, unless their primary civilian practice location has permanently changed.
- In order to ensure standardized addresses are being used in the mailing address and the practice location fields on the NPI application, providers (other than Reserve component providers) are asked to use the Defense Medical Information System facility name as the address of record.

The TMA point of contact for this requirement is LCDR Stephanie Bardack who may be reached at (703) 681-0064 or [Stephanie.Bardack@tma.osd.mil](mailto:Stephanie.Bardack@tma.osd.mil). Service points of contact are *<insert name of Army POC>* who may be reached at *<insert phone number>* or *<insert email address>*, *<insert name of Navy POC>* *<insert phone number>* or *<insert email address>* and *<Insert name of Air Force POC>* at *<insert phone number>* or *<insert email address>*.

Reference: (a) The Health Insurance Portability and Accountability Act (HIPAA)  
National Provider Identifier (NPI) Type 1 Enumeration Policy for Military Health System (MHS) Individual Health Care Providers