



Public Affairs Office

MEDICARE NEWS

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Contact: CMS Public Affairs Office
(202) 690-6145

**CMS ANNOUNCES THE STANDARD UNIQUE HEALTH IDENTIFIER
FOR HEALTH CARE PROVIDERS
FOR USE IN STANDARD TRANSACTIONS UNDER HIPAA**

The Centers for Medicare & Medicaid Services (CMS) today announced the adoption of the National Provider Identifier (NPI) as the standard unique health identifier for health care providers to use in filing and processing health care claims and other transactions.

A final rule establishing the NPI as the standard unique health identifier went on display today at the office of the *Federal Register* and will be published on January 23. The effective date of this final rule will be May 23, 2005.

The standard unique health identifier is mandated by the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

The NPI is a new number that will be issued through the National Provider System, which is being developed by CMS. The NPI replaces all “legacy” identifiers that are currently being used.

Use of the NPI will reduce costs and improve efficiency in the nation’s health care system by eliminating the need for health care providers to maintain, keep track of, and use multiple identification numbers assigned by the various health plans they bill.

All health care providers, whether or not they are covered entities under HIPAA, are eligible to be assigned NPIs. Non-covered providers may obtain NPIs.

All covered health care providers must obtain NPIs. Health care providers are covered entities if they transmit any data in electronic form in connection with a transaction for which the Secretary of Health and Human Services has adopted a standard. Covered entities must use NPIs in standard transactions no later than the compliance dates. The compliance dates for all but small health plans is May 23, 2007. The compliance date for small health plans is May 23, 2008.

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A health care provider will be assigned only one NPI, and that NPI will not change over time. Adoption of the standard health care provider identifier enables a provider to use only one identifier – its NPI – to identify itself in all standard transactions.

Adoption of NPI is the latest step in implementing the administrative simplification provisions of HIPAA. The Secretary already has adopted standards for electronic transactions and code sets, for the privacy and security of certain individually identifiable health information, and for the unique health identifiers for employers. In the future, the Secretary will adopt standards for unique identifiers for health plans and for claims attachment transactions.

Health care providers do not need to take any action to apply for NPIs at this time. The system that will handle the assignment of NPIs will be ready to accept applications for NPIs after the effective date of the final rule, which is May 23, 2005. Health care providers may begin applying for NPIs on that date. CMS will provide the health care industry with information relating to the NPI, including the application process and the availability of the NPI application forms, closer to the effective date.

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