

**CHAPTER 21**  
**SECTION 4**

**HEALTH AND HUMAN SERVICES (HHS) STANDARD UNIQUE  
HEALTH IDENTIFIER FOR HEALTH CARE PROVIDERS FINAL  
RULE**

---

**1.0. BACKGROUND AND PROVISIONS**

*On January 23, 2004, Health and Human Services (HHS) published the Final Rule establishing the National Provider Identifier (NPI) as the standard unique health identifier for health care providers (both individuals and organizations). The implementation specifications contained in the rule must be met by "covered entities" which include health plans, clearinghouses, and providers who submit Health Insurance Portability and Accountability Act (HIPAA)-compliant standard electronic transactions, as defined by the HIPAA regulations at 45 CFR 160.103. As of May 23, 2005, health care providers began applying for the required NPI.*

*The NPI is a 10-digit identifier, with an International Standard Organization (ISO) standard check-digit in the 10th position. It is to be used as the primary identifier in all standard HIPAA-compliant electronic transactions. The NPI contains no embedded information about the health care provider. It is the intent of the Final Rule that individual (Entity Type 1) health care providers receive only one NPI. The NPI Final Rule sets the circumstances under which a covered organization (Entity Type 2) provider may designate subparts for NPI assignment. (See [paragraph 3.0.](#) for Entity Type definitions and [paragraph 3.2.](#) for Subpart Enumeration.) The NPI assigned to each provider will serve as a permanent identifier and will only be inactivated upon death, cases of fraud or dissolution of the health care provider.*

*HHS will manage the National Plan and Provider Enumeration System (NPPES) for the processing of NPI application requests and NPI issuance after May 23, 2005, the effective date of the Final Rule.*

*In addition to the effective date of the NPI, the Final Rule requires compliance no later than May 23, 2007. The Final Rule stipulates that covered entities (except small health plans) must obtain an NPI and use the NPI in standard transactions no later than May 23, 2007. Small health plans must comply no later than May 23, 2008.*

**2.0. TRANSITION OF CURRENT PROVIDER IDENTIFIERS TO NPIS**

*In order to facilitate the necessary actions required for the transition of the identification of providers from current TRICARE Management Activity (TMA) Provider Numbers to NPIS, TMA is supporting a period during which contractors will accommodate the submission of HIPAA-compliant electronic standard transactions with both the current TMA Provider Number and the NPI. This will be referred to as the "Dual Use Period." TMA expects this Dual Use Period to mirror the recommendations of the Workgroup for Electronic Data Interchange (WEDI) White Paper, "Dual Use of NPI and Legacy Identifiers," Version 2.0, dated December 5, 2005 and may begin no later than (NLT) 90 days prior to the Final Rule implementation date or upon direction of the Contracting*

*Officer (CO). The White Paper is based on review and analysis of the current version of the Implementation Guides for each of the HIPAA-compliant electronic standard transactions. The Implementation Guides for each transaction, in effect as of December 5, 2005, identify the fields currently existing within each transaction that are to be used for the identification of a provider. The Implementation Guides indicate the segments that will be used to capture the NPI and the Tax ID or the legacy (current TMA Provider Number) identifier for the provider. During the Dual Use Period contractors will use the legacy provider identifier, submitted in the segment identified in the transaction Implementation Guide for the adjudication of the transaction, ignoring the segment containing the NPI.*

*At the end of the dual use period, contractors will use the segment required by the transaction Implementation Guide, in the appropriate loop of each transaction, to capture the NPI for the provider and use the NPI for the identification of the provider and claims processing.*

### **3.0. PROVIDERS**

*HHS defines a health care provider in Section 1861(u) of the Act, 42 United States Code (USC) 1395X(u), as a provider of medical or health services as defined in section 1861(s) of the Act, 42 USC 1395X(s). Generally, a provider is a person or organization who furnishes, bills, or is paid for health care in the normal course of doing business.*

*For the purposes of the applicability of the rule to TMA, see the TRICARE Policy Manual (TPM), Chapter 11, Section 1.1, for a listing of authorized provider types.*

*Health Care Providers are defined in two categories for enumeration purposes:*

- Entity Type 1--Individual. Includes, but is not limited to, those human beings who provide care such as, physicians, nurse practitioners, dentists, chiropractors, pharmacists and physical therapists.*
- Entity Type 2--Organizational. Includes, but is not limited to, non-person providers such as hospitals, home health agencies, clinics, laboratories, suppliers of durable medical equipment, pharmacies, and groups.*

### **3.1. Foreign Providers**

**3.1.1.** *A foreign provider is defined as a provider who is not a citizen of the United States, regardless of the country in which the provider is practicing. Foreign providers may be authorized TRICARE providers, however, they are not required to obtain an NPI (due to limited ability to comply with the application requirements), but may choose to do so voluntarily. Electronic transactions (e.g., claims transactions) submitted by foreign providers for adjudication may be submitted using legacy identifiers for provider identification purposes, however, if a foreign provider obtains an NPI, they are encouraged to use the NPI as the primary provider identifier on the electronic transaction.*

**3.1.2.** *Providers who are citizens of the U.S., practicing outside the U.S. (e.g., Puerto Rico), are not considered to be "foreign providers". If the provider practicing outside the U.S. is a U.S. citizen and meets the HHS definition of a "covered entity", the provider is required to obtain an NPI for the*

*submission of HIPAA-compliant electronic standard transactions and comply with the Final Rule. Electronic transactions submitted by "covered entities", who are U.S. citizens, that are not HIPAA-compliant must be denied as appropriate.*

### **3.2. Subpart Enumeration**

*Subpart Enumeration is the responsibility of the Organizational Provider. In accordance with the Final Rule, Organizational Providers will determine to what extent subpart enumeration is required and identify which of the subparts, if any, of their organizational entity will be identified via a separate enumerator. The Organizational Provider will also determine how the various enumerators obtained will be used for billing purposes.*

### **4.0. CONTRACTOR RESPONSIBILITIES**

**4.1.** *Contractors shall comply with the Department of Health and Human Services Standard for Unique Health Identifier for Health Care Providers Final Rule.*

**4.2.** *Contractors shall accept NPIs when submitted by providers and use the NPI as the primary identifier to identify health care providers in all HIPAA-compliant electronic standard transactions in accordance with the transaction Implementation Guide. It is noted that during the dual use period, in addition to the NPI, additional identifiers may be used.*

**4.3.** *Contractors shall deny all claims transactions that do not meet the requirements of the Final Rule.*

**4.4.** *Since the National Uniform Billing Committee (NUBC) and the National Uniform Claims Committee (NUCC) have modified the UB04 and the Centers for Medicare and Medicaid Services (CMS) 1500 to accommodate the use of the NPI on the paper forms, contractors are required to accept and use the NPI if submitted on the paper form for provider identification and claims adjudication.*

**4.5.** *Contractors shall verify NPIs using the check digit algorithm in accordance with the Final Rule, 45 CFR Part 162.*

**4.6.** *Contractors shall maintain the NPI in their internal provider file. Upon direction of the CO and future revision of the TRICARE Systems Manual (TSM), [Chapter 2](#) to address the NPI requirements for the TRICARE Encounter Provider (TEPRV) records and TRICARE Encounter Data (TED) record, contractors shall create and submit to TMA a new TRICARE Encounter Provider (TEPRV) record when a provider submits their NPI to the contractor.*

- *Type 1 NPI for professional providers.*
- *Type 2 NPI for organizational providers.*
- *Type 2 NPI for subparts of organizational providers that have been separately enumerated, e.g., different NPIs for different departments within an institution, the contractor shall list the Type 2 NPI for each subpart identified by the provider.*

**4.7.** *Contractors shall map NPIs for providers to TMA Provider Number(s) and subidentifier(s).*

**4.8.** *Contractors shall:*

**4.8.1.** *Covered Individual (Type 1) Health Care Providers*

- *Ensure HIPAA transactions received identify the provider's NPI on all HIPAA-compliant electronic standard transactions in accordance with the Implementation Guide for the Transaction.*
- *Ensure electronic transactions submitted by business associates of the individual provider use their NPIs and NPIs of other health care providers and subparts appropriately for the submission of HIPAA-compliant electronic standard transactions in accordance with the Implementation Guide for the Transaction.*

**4.8.2.** *Covered Organizational (Type 2) Health Care Providers*

- *Ensure that transactions submitted by the organizational entity and/or its subparts use the NPI on HIPAA-compliant electronic standard transactions.*
- *Ensure that transactions submitted by the organizational subparts comply with the NPI implementation specifications.*
- *Ensure that business associates of the organizational entity and/or its subparts use their NPIs and NPIs of other health care providers and subparts appropriately for the submission of HIPAA-compliant electronic standard transactions.*

**4.9.** *Compliance Date*

*As of May 23, 2007, contractors must be able to process HIPAA-compliant standard electronic transactions submitted with an NPI as the primary provider identifier. Contractors shall deny all transactions that do not meet the requirements of the Final Rule. In addition, contractors must also be able to process transactions submitted with the legacy identifiers for atypical providers or other non-covered entities. If CMS grants an extension to the dual use period or any other changes to the transition period, the contractors will be notified by CO letter.*

**4.10.** *Application Of NPI To TMA Processes And Systems*

*Upon full implementation of the Final Rule, the NPI shall be used as the primary provider identifier for all TRICARE authorized providers who meet the HHS definition of "covered entities" and submit HIPAA-compliant electronic standard transactions. The contractor shall also accept the NPI as the primary identifier on paper claims from providers who obtain an NPI and use it.*

*The NPI shall be used, as appropriate, for the identification of providers in the Defense Enrollment and Eligibility Reporting System (DEERS).*

**TRICARE OPERATIONS MANUAL 6010.51-M, AUGUST 1, 2002**  
 CHAPTER 21, SECTION 4  
 HEALTH AND HUMAN SERVICES (HHS) STANDARD UNIQUE HEALTH IDENTIFIER FOR  
 HEALTH CARE PROVIDERS FINAL RULE

*Upon direction of the CO and future revision of the TSM, Chapter 2, the NPI shall be used as the primary provider identifier for TEPRV and TED records, for health care providers who meet the HHS definition of covered entity and submit HIPAA-compliant electronic standard transactions. The NPI will also be used as the primary provider identifier on the TEPRV and TED record for providers who obtain an NPI and submit paper claim forms.*

*TED records will identify both the individual and/or organizational provider NPI as appropriate. For providers who are part of a group or clinic practice, the TED record will reflect the NPI for the group or clinic as well as the NPI of the individual provider. TED records submitted for Institutional claims must include the NPI for the Organizational (Type 2) entity. Individual NPIs shall not be submitted on institutional TED records.*

*At a date to be determined, NPI shall be used for the identification of providers on referrals and authorizations and Nonavailability Statements (NASs), as appropriate.*

**4.10.1. Provider Identifier Association Requirements**

*All NPIs shall be associated with legacy provider numbers and subidentifiers in the contractors' provider file, as appropriate. TMA is not requiring contractors to associate NPIs with legacy provider numbers on the TMA provider file.*

**4.10.1.1.** *Each legacy provider number for an individual provider, who meets the HHS definition of a "covered entity", shall be associated with a Type 1, individual NPI. See Figure 21-4-1.*

**FIGURE 21-4-1 PROFESSIONAL (INDIVIDUAL/TYPE 1) PROVIDER**

PROVIDER NAME	LEGACY PROVIDER NUMBER	LEGACY SUB ID	OFFICE ADDRESS(ES) (SERVICE LOCATION)	INDIVIDUAL NPI
Dr. Jones	123456789	0001	212 Main Street	7654321012
Dr. Jones	123456789	0002	313 Oak Street	7654321012
Dr. Jones	123456789	0003	414 Maple Street	7654321012

*For claims processing purposes, the contractor's system shall be able to identify the place where care was rendered utilizing the "Service Location" field in the 837 and associate it with the individual provider's legacy provider identifier and subidentifier, as appropriate, to determine the appropriate reimbursement rate. The billing provider's name and address may or may not be different from "Service Location".*

**4.10.1.2.** *Each legacy provider number and sub-identifier record for a clinic or group practice shall be associated with a Type 2, organizational NPI, as appropriate. For each legacy group practice provider and sub-identifier, where the sub-identifier represents a subpart that has been separately enumerated (e.g., different location or specialty, etc.) by the organizational entity, the contractor shall associate the Type 2 NPI for each subpart provider record in the provider file. See Figure 21-4-2.*

**FIGURE 21-4-2 GROUP PRACTICE/CLINIC (ORGANIZATIONAL/TYPE 2) PROVIDER**

PROVIDER NAME	LEGACY PROVIDER NUMBER	LEGACY SUB ID	ORGANIZATIONAL NPI (TYPE 2)
City Wide Clinic	765432193	A001	2101213456

*For each legacy group practice provider and sub-identifier where the sub-identifier represents a different individual provider, the contractor shall associate the legacy group practice provider number with the Type 2 NPI for the group practice, as appropriate. See Figure 21-4-3.*

**FIGURE 21-4-3 GROUP PRACTICE/CLINIC WITH MULTIPLE INDIVIDUAL PROVIDERS**

PROVIDER NAME	LEGACY PROVIDER NUMBER	LEGACY SUB ID	ORGANIZATIONAL NPI (TYPE 2)	PROVIDER NAME	INDIVIDUAL NPI (TYPE 1)
City Wide Clinic	765432193	A002	2101213456	Dr. Jones	3456289654
City Wide Clinic	765432193	A003	2101213456	Dr. Smith	1769335417
City Wide Clinic	765432193	A004	2101213456	Dr. Allen	2869551769

**4.10.1.3. Institutional Providers**

**4.10.1.3.1.** *Each legacy provider number and sub-identifier record for an institutional provider shall be associated with a Type 2, organizational NPI, as appropriate. For each legacy institutional provider and sub-identifier, where the sub-identifier represents a subpart that has been separately enumerated (e.g., different department or unit, etc.) by the organizational entity, the contractor shall associate the Type 2 NPI for each subpart provider record in the provider file, as appropriate. See Figure 21-4-4.*

**FIGURE 21-4-4 INSTITUTIONAL PROVIDER WITH SUBPARTS ENUMERATED**

LEGACY PROVIDER NUMBER	LEGACY SUB ID	PROVIDER/DEPARTMENT	ORGANIZATIONAL NPI (TYPE 2)
321456789	0000	St. Mary's Hospital	4563214897
321456789	0001	Radiology	7218954673
321456789	002	Neurology	2184696732
321456789	003	Obstetrics	8759648234

**4.10.1.3.2.** *For each legacy institutional provider and sub-identifier, where the institutional provider has chosen to only enumerate the "Primary" or "Overarching" organization, and not its separate departments or subparts, the contractor shall associate the Type 2, organizational NPI for the "Primary" organizational provider with each legacy sub-identifier associated with the "Primary" organizational NPI, as appropriate. For example, Mercy Medical Center is the "Primary" organizational provider and has three different departments; Mercy Medical Center has a legacy provider number and each department has a legacy provider number. Mercy Medical Center obtains an NPI, but decides not to separately identify those three departments, the legacy identifier for each department must be associated with the NPI for Mercy Medical Center. See Figure 21-4-5.*

**FIGURE 21-4-5 INSTITUTIONAL PROVIDER WITHOUT SUBPARTS ENUMERATED**

LEGACY PROVIDER NUMBER	LEGACY SUB ID	PROVIDER/DEPARTMENT	ORGANIZATIONAL NPI (TYPE 2)
332158989	0000	Mercy Medical Center	7896541223
332158989	0001	Radiology	7896541223
332158989	0002	Neurology	7896541223
332158989	0003	Obstetrics	7896541223

#### **4.11. NPI Usage In Standard Transactions**

*The NPI will be collected and retained for use in claim activities, to include the processing and resolution of claims, duplicate claims identification, medical utilization, fraud investigation, third party claim submissions and claim reporting. Until all affected purchased care systems use only the NPI, the NPI and legacy identifiers will be supported.*

- *ASC X12N 837 - Health Care Claim: Professional and Institutional - The NPI will be submitted in accordance with the usage specifications of the HIPAA Implementation Guide, its addendas and any companion documents.*
- *ASC X12N 270/271 - Health Care Eligibility Benefit Inquiry and Response - The NPI will be submitted in accordance with the usage specifications of the HIPAA Implementation Guide, its addendas and any companion documents. DEERS will capture and maintain the NPI for individual providers to facilitate Health Care Eligibility Inquiry and Response transactions and has the capability to capture and maintain the NPI for organizational providers.*
- *Accredited Standards Committee (ASC) X12N 278 - Health Care Services Review - Request for Review and Response - The NPI will be submitted in accordance with the usage specifications of the HIPAA Implementation Guide, its addendas and any companion documents.*
- *ASC X12N 276/277 - Health Care Claims Status Request and Response - The NPI will be submitted in accordance with the usage specifications of the HIPAA Implementation Guide, its addenda and any companion documents. When required, the NPI shall be used in the electronic standard exchange between entities requesting health care claim status, organizations sending the health care claim status response and other business partners affiliated with the health care claim status request and response.*
- *ASC X12N 834 - Benefit Enrollment and Maintenance - DMDC will modify DOES to include the NPI where appropriate and in compliance with the HIPAA Implementation Guide, its addenda and any specifications.*
- *ASC X12N 835 - Health Care Claim Payment/Advice - The NPI will be submitted in accordance with the usage specifications of the HIPAA Implementation Guide, its addenda and any companion documents. The NPI will be used when communicating the status of a health care claim payment. Contractors must be able to use NPI and any other pertinent identifiers to correctly credit and debit the provider.*
- *National Council for Prescription Drug Program (NCPDP) Version 5, Release 1 - This NCPDP transaction may be used for eligibility checking as well as for claims-related transmissions. Contractors must be able to utilize the NPI in the transaction as defined in NCPDP guidance for the implementation and use of the transaction. For retail pharmacy, the following implementation specifications are named as standards: The Telecommunications Implementation Guide, Version 5, Release 1, dated September 1999, NCPDPs, as referenced in §§162.1102, 162.1202, 162.1602, and 162.1802 of the Rule and*

*the equivalent Batch Standard Batch Implementation Guide, Version 1 Release 1, January 2000, NCPDPs as referenced in §§162.1102, 162.1202, 162.1302, and 162.1802 of the rule.*

- *Companion Guides - Contractors will modify Companion Guides to provide specific guidance with regard to the NPI and its corresponding entity type code for use as the primary provider identifier, as appropriate.*

#### **4.12. Web Server Technology**

*Contractors may choose to utilize the NPI for other provider identification purposes, at no cost to the Government and at their own discretion, on contractor developed and maintained web applications. However, this is not to be construed as instruction from TMA to develop, operate, modify, or maintain contractor web applications. Use of the NPI on contractor web applications must be in accordance with the requirements of the Final Rule.*

#### **5.0. TESTING**

*For all HIPAA-compliant electronic standard transactions that require the NPI to be used as the primary identifier for the provider, contractors shall ensure their capability to accept and adjudicate such transactions. Contractors shall test all processes that have been modified and/or implemented to maintain, send and receive NPI data, to include standard transactions, at least 120 days prior to implementation or upon direction of the CO. Contractors shall provide written certification to the CO of the successful testing of the receipt and processing of all HIPAA-compliant electronic standard transactions in accordance with the current Implementation Guide for the transaction, no later than the implementation date of the Final Rule or as directed by the CO.*