

The Issue

The National Provider Identifier (NPI) is a unique identification number for covered health care providers (including physicians and hospitals) to help send information electronically more quickly and effectively. Congress is considering legislation that would change current billing practices for Medicare and the commercial insurance market to require each off-campus hospital outpatient department (HOPD) to be assigned a unique NPI as a condition of payment. However, these changes are unnecessary since hospitals already bill according to federal regulations, which require them to bill all payers — Medicare, Medicaid and private payers — using codes that indicate the location of where a service is provided.

Background

Under current law, when a patient is seen at an off-campus HOPD, the HOPD bills for the items and services rendered using the HIPAA-mandated institutional billing claim. The institutional claim requires that the hospital identify the type of bill (TOB) in each claim. Specifically, TOB 13X identifies that the bill is for a “hospital outpatient department.” Additionally, consistent with HIPAA and Medicare’s existing regulations, off-campus services must include the correct modifiers on the bill. Modifier “PO” must be appended to all items and services paid under the outpatient prospective payment system and rendered in an off-campus HOPD. Modifier “PN” must be appended to all items and services paid under the Medicare physician fee schedule and rendered in an off-campus outpatient department. Modifier “ER” must be appended for services in an off-campus emergency department. Moreover, the HIPAA-mandated institutional claim requires that the claim include the name and service location of the provider submitting the claim.

Current Medicare regulations require that beneficiaries who are treated at an off-campus HOPD receive notification of their expected financial obligations if they will be receiving bills from both the individual provider and the hospital.

AHA Position

The AHA is opposed to legislative efforts requiring each off-campus HOPD to be assigned a separate unique health identifier from its provider as a condition of payment under Medicare or group health plans. Hospitals are already transparent about the location of care delivery on their bills and this requirement would be duplicative and impose unnecessary and onerous administrative burdens and costs to needlessly overhaul current billing practices and systems.