



July 12, 2006

Dear Physicians Plus Vendor,

The Health Insurance Portability and Accountability Act (HIPAA) directed the U.S. Secretary of Health and Human Services (HHS) to adopt a national standard identifier for health care providers. On January 23, 2004, HHS officially adopted the National Provider Identifier (NPI) as the standard, unique identifier for all health care providers.

As of May 23, 2007, the NPI will be the only identifier health care providers can use for identification purposes in standard transactions by covered entities. The NPI has ten all-numeric positions and contains no embedded provider information.

We will continue to work with your organization as needed over the next several months to ensure compliance and adaptability to this new system. We will also request a more formal response from your organization, if warranted, as to your readiness to accept, report and comply with HIPAA regulations. To ensure a smooth transition, please review your current system to determine the impact of this change. For example:

1. Complete an internal analysis and identify the immediate impacts of implementing system inputs and outputs for the NPI.
2. Can your system handle a ten-digit numeric format?
3. Develop a strategy for converting the current provider identifier to the NPI. This may involve crosswalks, dual identifier usage, re-enrollment and/or other means of transition.
4. How will the NPI impact internal and external reporting processes?
5. Will you need to educate staff?

Providers are urged to apply for their NPI well in advance of the compliance date. They only apply once, and the NPI is permanently assigned.

As the compliance date approaches, Physicians Plus will provide instructions on when providers may begin using their NPI. Prior to this notification, transactions that use only the NPI will reject for invalid provider number. We anticipate a transition period of approximately four to six months in which we will accept and pay claims using either the NPI or a current Physicians Plus provider ID number.

For more information, please visit [www.HealthyChoicesBigRewards.com](http://www.HealthyChoicesBigRewards.com) and review the frequently asked questions (FAQ) on the provider home page under Regulatory Updates. The Center for Medicare and Medicaid Services at [www.cms.hhs.gov/HIPAAGenInfo/](http://www.cms.hhs.gov/HIPAAGenInfo/) is also a good resource.

Sincerely,

A handwritten signature in cursive script that reads 'Cindy Case'.

Cindy Case  
HIPAA Enterprise Manager