

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
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Date: July 20, 2023

GL-2023-07

Subject: Guidance on National Provider Identifier (NPI) Enumeration; 45 Code of Federal Regulations (CFR) § 162.412(b)

The Office of Burden Reduction and Health Informatics (OBRHI) National Standards Group (NSG), on behalf of the Department of Health and Human Services (HHS), is issuing this guidance to clarify the prohibition at 45 CFR § 162.412(b) that a health plan may not require a health care provider that has been assigned an NPI to obtain an additional NPI.

Issue:

NPIs are used to enumerate individuals and organizations that qualify as health care providers under the Health Insurance and Portability and Accountability Act of 1996 (HIPAA). HIPAA covered health care providers are required to obtain NPIs. HIPAA covered entities are required to identify providers using their assigned NPIs in administrative health care transactions for which the Secretary has adopted a standard under HIPAA. Many health care providers are “organization health care providers,” that are comprised of components and/or separate physical locations. The components and separate physical locations of organization health care providers are referred to as “subparts.”

Covered entities have asked:

Do HIPAA rules prohibit a health plan from requiring that a subpart of an organization provider obtain a unique NPI, that is, an NPI that is not shared with the subpart’s main organization provider or another subpart within the organization, as a condition of enrollment with the plan?

The short answer is:

Should a subpart already have its own unique NPI, [45 CFR § 162.412\(b\)](#) prohibits a health plan from requiring the subpart to obtain *an additional* NPI, but it does not prohibit a health plan from requiring that a subpart that does not have a unique NPI, obtain a unique NPI as a condition of enrollment with the health plan.

A unique NPI means an NPI that is not shared with the subpart’s main organization provider or another subpart within the organization.

Background and Key Regulatory Provisions:

Under [45 CFR § 162.410\(a\)](#), a *covered health care provider* must obtain an NPI from the National Provider System (now known as the National Plan and Provider Enumeration System (NPPES)), and use its assigned NPI

to identify itself on all standard transactions it conducts where its health care provider identifier is required.

Health care providers include providers of services as defined in section [1861\(u\)](#) of the Social Security Act (the Act), providers of medical or health services as defined in section [1861\(s\)](#) of the Act, as well as any other person or organization who furnishes, bills, or is paid for health care in the normal course of business.¹

A *covered health care provider* is a health care provider that transmits any health information in electronic form in connection with a transaction for which the Secretary has adopted a standard under HIPAA.² *Health information* means any information, including genetic information, whether oral or recorded in any form or medium, that:

- 1) Is created or received by a health care provider, health plan, public health authority, employer, life insurer, school or university, or health care clearinghouse; and
- 2) Relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual.³

[45 CFR 162.412\(b\)](#) states that “[a] health plan may not require a health care provider that has been assigned an NPI to obtain an additional NPI.”

Organization health care providers are health care providers that are not individual health care providers (that is, health care providers who are human beings), such as, but not limited to, hospitals, pharmacies, nursing homes, and group health care providers. Group health care providers are composed of one or more individuals and are generally created to provide coverage of patients’ needs in terms of office hours, professional backup and support, or a range of services resulting in specific billing or payment arrangements.⁴ The NPPES assigns individual health care providers NPIs with an entity type code of 1 and organization health care providers NPIs with an entity type code of 2.⁵

Under [45 CFR § 162.410\(a\)\(1\)](#), a covered organization health care provider must obtain an NPI for any subpart that would be a covered health care provider if it were a separate legal entity. This means that, although the subpart is part of its main organization’s legal entity, and therefore cannot be held individually responsible for compliance with HIPAA requirements, if the subpart meets the definition of a covered health care provider, the main organization covered entity must obtain an NPI for it or ensure that the subpart obtains an NPI. A covered health care provider may obtain an NPI for any other subpart that qualifies for the assignment of an NPI.

¹ [45 CFR § 160.103](#)

² [45 CFR § 162.103](#); Section 1173(a) of the Act directs the Secretary to adopt standards for transactions, and data elements for such transactions, to enable health information to be exchanged electronically that are appropriate for the financial and administrative transactions listed at section 1173(a)(2) as well as other financial and administrative transactions determined appropriate by the Secretary, consistent with the goals of improving the operation of the health care system and reducing administrative costs. Transactions for which the Secretary has adopted standards are specified at 45 CFR Part 162.

³ [45 CFR § 160.103](#)

⁴ [69 FR 3439-3440](#)

⁵ [Id.](#)

Subparts of an organization provider are assigned type 2 NPIs.⁶

Subparts include components of an organization provider that are separately certified, licensed, or identified by federal or state regulatory bodies as different provider types, regardless of whether the components share the same physical location as the main organization or with another subpart.⁷ For example, a health system may have hospitals, labs, psychiatric units, clinics, ambulatory surgical centers, nursing homes, and physician group practices. Each of these components is a subpart of the health system.

Subparts also include separate physical locations of the same provider type within an organization that may not be separately licensed or certified.⁸ For example, a corporate pharmacy chain may operate many different locations within a state. Each of these separate physical locations is a subpart of the corporate pharmacy provider. A hospital may have a main campus and several off-campus outpatient departments operating under the same certification or license. Each of these off-campus outpatient departments is a subpart of the hospital.

Analysis:

HIPAA does not govern health plans' enrollment practices, and the preamble to the NPI final rule makes clear that HIPAA, "does not prohibit a health plan from requiring its enrolled health care providers to obtain NPIs if those health care providers are eligible for NPIs..."⁹ Thus, HIPAA does not preclude health plans, including state Medicaid agencies,¹⁰ from requiring that a subpart obtain a unique NPI, if eligible, as a condition of enrollment with the health plan. A subpart is eligible for an NPI if it is a health care provider and the identifying data for the subpart are unique.¹¹ Data identifying a subpart is considered unique as long as any of the data points, such as taxonomy code or location address, collected by the NPPES¹² for the type 2 NPI are different from those collected for the main organization or another subpart within the organization.

This means that HIPAA does not prevent a health plan from requiring that a subpart of an enrolled organization provider obtain a unique NPI, if it does not already have a unique NPI. Further, HIPAA does not prevent a health plan from requiring that a subpart with a unique NPI enroll with the health plan separately from the main organization provider and other subparts or obtain a unique NPI that will be affiliated with the main organization's enrollment.

Following are examples of health plan conditions of enrollment that HIPAA would not prohibit:

- Requiring a hospital that operates, as a unit within the hospital, an inpatient rehabilitation facility, to enroll the inpatient rehabilitation facility separately from the hospital with a unique NPI.
- Requiring a clinic that has multiple locations throughout a metropolitan area to obtain unique NPIs for each location.

⁶ [69 FR 3438](#)

⁷ [Id.](#)

⁸ [Id.](#)

⁹ [69 FR 3450](#)

¹⁰ [45 CFR § 160.103](#); the definition of a "health plan" under HIPAA includes the Medicaid program.

¹¹ [45 CFR § 162.408\(g\)](#)

¹² [69 FR 3457](#)

- Requiring a hospital outpatient department that is located separately from the hospital's main campus to obtain a unique NPI.
- Requiring one health care facility location, where that facility has licenses to operate a pharmacy, lab, and a durable medical equipment (DME) supplier, to enroll the pharmacy, lab, and DME supplier separately with unique NPIs.

Additional Information:

Should you have questions about this guidance, send inquiries to AdministrativeSimplification@cms.hhs.gov with the subject line: NPI Guidance Question. For more information, visit the CMS Administrative Simplification website at go.cms.gov/AdminSimp. For the latest news about Administrative Simplification, sign up for [Email Updates](#).

Sincerely,



Michael Cimmino

Director, National Standards Group

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