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Community Pharmacy Perspective on NPI Implementation

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Independent Pharmacy Today

- Independents dispense **1.4 billion prescriptions annually**
 - 42% of the retail prescription market
- Prescription medicines are our business: **92% of annual sales are Rx medicines**
- Average number of **prescriptions per pharmacy: 59,432 annually, 190 per day**
- There are **24,345 single-store independent pharmacies**, independent chains, independent franchises, independent long-term care and home I.V. pharmacies, and independent pharmacist-owned supermarket pharmacies
- 42% of the nation's 58,109 drugstores

Importance of NPI to Community Pharmacy

- Reduces administrative burdens on Pharmacy/Pharmacist health care Providers by distilling vast number of Provider IDs required by various health plans to a standardized data set
- Eliminates use of DEA number as ID option

General Confusion

- NPI Application
 - Which one do I apply for as a replacement for my NCPDP ID: Type 1 or Type 2?
 - Pharmacist Provider category (Type 1) options in **Section 3D. Provider Taxonomy Code**

Health Care Provider Taxonomy Code

- www.wpc-edi.com/taxonomy
- **Type** Level II Classification
 - **Pharmacist** **Code** 183500000X
- **Type** Level III Area of Specialization **Code**
 - **Nuclear Pharmacy** 183500000X
 - Definition to come...
 - **Nutrition Support** 1835N1003X
 - Definition to come...
 - **Pharmacotherapy** 1835P1200X
 - Definition to come...
 - **Psychotherapy** 1835P1300X
 - Definition to come...

More Confusion

- Multiple NPI Application Processes
 - Initiate application process or apply via NCPDP bulk enumeration process?
 - How will these two databases be coordinated by CMS?
 - Pharmacies do not want a disruption in the prescription process if NPI is not recognized by a health plan

Claim Format Challenges

- NCPDP 5.1 Retail Drug
 - No data field to accommodate Health Care Provider Taxonomy Code for communicating Specialization/Certification
 - No data field to accommodate Secondary Identifiers for Pharmacy/Pharmacist Providers
- X12N 837 Professional
 - Can accommodate multiple Health Care Provider Taxonomy Codes and multiple Secondary Identifiers

Multiple NPIs for Pharmacy, Subparts

- NPI Final Rule provides the flexibility to accommodate different types of pharmacy business models
 - Retail community pharmacy
 - Long-term care pharmacy
 - Durable Medical Equipment
- Based upon types of services provided
- Final Rule allows for businesses to determine Subpart(s) need for NPI

Prescriber NPI Database

- Need for complete NPS Prescriber NPI database is pharmacy specific
 - Large versus small Pharmacy Provider
 - Chain versus single proprietor
- Small Pharmacy Providers would benefit from requiring Prescribers to impart their NPIs when transmitting a prescription

Dual Provider Identifier Databases, Business Processes, and Systems?

- For small health plans until May 23, 2008
- For Prescribers without a NPI—those who do not use electronic claims transactions
 - Payer sheets should specify contingency plan

Readiness of Community Pharmacy

- Timeframe for May 23, 2007 is questionable
 - Lack of fully enumerated industry
 - Lack of guidance from CMS on dissemination of NPI database
 - BAs need adequate time for NPI testing to insure system changes and modified business processes succeed
 - Need to finalize implementation plans with trading partners

Early NPI Use Should be Prohibited

- CMS should not allow any health plan or processor to request NPI from Providers prior to implementation date

Thank You!

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