DELTA DENTAL

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March 31, 2006

Jeff Blair and Harry Reynolds, Co-Chairs
Standards and Security Subcommittee
National Committee for Vital and Health Statistics
c/o Maria Friedman, D.B.A.
Centers for Medicare & Medicaid Services
Mail Stop S2-26-17
7500 Security Boulevard
Baltimore, MD 21244-1850

Subject: WEDI HIPAA NPI Implementation Testimony

Dear Mr. Blair and Mr. Reynolds,

On behalf of Delta Dental Plans (DDPA), we respectfully submit our WEDI testimony for the NPI Implementation hearing on April 18 in Chicago for your consideration at your hearing on the same subject on April 4.

DDPA truly appreciates your efforts to assist the industry to implement the National Provider Identifier. We will be happy to answer any questions you have regarding our testimony. Please contact Sheila Frank (e-mail: sfrank@deltadental.com or phone: 630/574-6991).

Sincerely,

/s/

Janis Oshensky
V.P., Provider & Industry Relations
Delta Dental Plans Association

Enclosures: WEDI HIPAA NPI Implementation Testimony

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WEDI National Provider Identifier Testimony Template

I. GENERAL:

Organization Name, Your Name and Title:

Delta Dental Plans Association
William Lambrukos, Sr. V.P., Operations, Northeast Delta Dental

Organization Type and Size: (payer, provider, etc.)

Delta Dental is a payer network of 39 independent dental service organizations that conducts business in all 50 states, the District of Columbia and Puerto Rico. These service organizations are all members of the Delta Dental Plans Association (DDPA). We cover 1/3 of Americans with dental benefits; 46 million lives in 80,000 groups.

Products or functions your organization provides? (Please be brief)

Delta Dental has contracts with three fourths of dentists in the U.S. We process approx 1.5 million claims per week. Our products include dental FFS, PPO, HMOs, POS as well as customized plans.

Contact Name, e-mail address, and phone number:

Sheila Frank
SFrank@deltadental.com
630 574-6991

III. PROVIDER ENUMERATION READINESS

Delta Dental Professional Relations Staff are finding that the vast majority of dentists are unaware of NPI requirements. It should be noted that fewer than fifty percent of dental claims nationwide are submitted electronically today. Despite letters, newsletters, presentations and other outreach programs of the ADA and our fellow carriers, we face the reality that in a single practitioner setting there is no immediate intuitive connection between disrupting the way they do business to implement the NPI and their focus of providing optimal patient care. HIPAA regulations are often viewed as distractions from the task at hand.

IV. NPI DISSEMINATION: RECEIPT AND USE OF NPIs

1. Describe how you plan to receive NPIs.
   a. Have you communicated to your providers how you would like to receive their Type 1 NPIs? Some of our member companies have told their providers how to communicate their NPIs. Others have asked their providers to wait until the Delta Dental systems are ready to accept them. We have instituted a requirement that providers report their NPIs on applications for certification and re-certification to become participating providers, and it is proving to be a successful way to collect NPIs.

b. Have you communicated to your providers how you would like to receive their Type 2 NPIs? There is still significant dental industry confusion about how to utilize organizational and subpart NPIs. At first our outreach program did not address Type 2 in detail. A number of our member companies found that providers are reporting incorrectly enumerated NPIs (e.g. Reporting the same Type 1 NPI for all dentists in a practice). We have recently revised our outreach materials to provide more guidance to providers.

c. Have you started to receive NPIs? Describe the format/method you plan to employ to receive Type 1 and Type 2 NPIs. How does your process work? Are you facing any obstacles? Delta Dental member companies are using one or more of the following methods to capture NPIs: a copy of the NPPES notification, phone, fax, email, re-credentialing forms, and dual use transactions.

d. What are your current expectations for requesting and obtaining NPI information about providers from NPPES? During our initial analysis in May of 2004, DDPA considered use of NPPES dissemination for part of our implementation strategy. As time went on we lost confidence that the mechanism will be available timely, or that the data will be complete, accurate and meet our business needs. Therefore, we have not built it into our implementation strategy, despite the fact that it could have saved many implementation dollars for Type 1 NPIs. Once CMS has announced its strategy, and we can test the facility, we will determine if it has any value for us.

   Lack of timely specifications and policy from CMS with regard to downloading and querying NPI information is causing payers and large providers to incur significant time and resources to plan work-arounds in the event the system is not accessible or not available timely.

e. What percent of your Type 1 and Type 2 providers have informed you of their NPIs? In Kansas, 25% of dentists have reported their NPIs. The success is attributed to an extensive outreach and education campaign. Nationally, the number is less than 5%, though they are starting to come in on annual re-credentialing forms.

2. Describe your current status of system readiness for receiving NPIs.

a. Are you ready to receive NPIs and load into your system? If no, when will you be ready? Most of our members can receive NPIs and many are able to load them into their systems. Those who cannot load them are collecting them to load when their systems are ready.

b. Do you plan to or have you cross-walked NPIs to legacy identifiers? How will you cross-walk, what data will you use? In all Delta Dental systems, Type 1 NPIs will be cross-walked using state license numbers and Tax IDs where possible. Our Delta Dental NPI Task Force has done extensive analysis and written a guide through the cross-walking process for our member companies, but we still have a few unanswered issues on how to crosswalk Type 2 NPIs. The HIPAA adopted versions of the X12 transactions simply do not contain all the intelligence needed to replace the legacy number with the NPI.

c. How does the Medicare Subpart Enumeration Expectations policy affect your own enumeration expectations? Medicare does not cover most dental services, so there

will be little impact from Medicare Subpart Enumeration guidance.

V. **TRANSACTION AND IMPLEMENTATION:**

a. and b. N/A

c. Do you have any issues with the use of NPIs on electronic transactions? What is working? Lack of service location identifiers for individual dental health care providers practicing in multiple service locations is the greatest problem we face. The same concern applies to providers attached to one or more group practices in separate service locations.

Today our provider systems define provider contracts. A provider may work in multiple offices, practices or may have differing participation status in different dental programs. These contracts may have different payment schedules. In this situation today we are able assign a "provider id" to the contract. This is really a contract ID but is commonly referred to as the provider ID. The NPI rule has replaced the provider contract id with an ID that simply identifies the provider - not the contract. This means we have to use other mechanisms to identify the contract. Address information has been seen by some to do this but it is not reliable and does not cover situations of multiple contracts at the same location. Not being able to correctly identify a contract with a provider ID defeats the objective of administrative simplification as sought by the rule. Indeed it forces us to adopt more manual procedures and reduces the number of claims that can auto adjudicate.

For Delta Dental of Michigan and other states enabling legislation requires that we only pay licensed providers. We must be able to identify the provider rendering the service so we need to see the NPI from the provider rendering the service on every dental claim. The ability to report a Type 2 NPI without a Type 1 muddies the simplicity of the regulation and we are concerned about how providers will choose to report NPIs.

VI. ISSUES RELATED TO THE USE OF NPI ON PAPER FORMS (e.g. claims, remittances)

The ADA Dental Claim Form is not ready for the NPI transition. It lacks the needed boxes and instructions to facilitate clear submission of the NPI along with the legacy number. Since the ADA form is commonly used nationwide, its deficiencies will cause problems for any dental payer encouraging voluntary submission of the NPI on paper. In addition, it will be an obstacle to any payers who contractually require their enrolled providers to use the NPI on paper (as permitted by CMS - see FAQ Answer 2746).
In Minnesota, problems with the ADA form will be severe, since state law requires both the use of the ADA form and submission of the NPI on paper claims. The form's deficiencies will cause confusion and disruption for providers and payers.

The ADA Dental Claim Form – Form J515 is owned by the ADA, which has ultimate authority for all changes. Two months ago, the ADA convened a Dental Claim Form Advisory Committee (DeCFAC) of industry stakeholders to address the concerns of Delta Dental and others. DDPA is on the committee, which has drafted a revised form

that alleviates most of our concerns. Once the committee work is complete, we hope these changes will be expedited through the internal ADA approval and publication process in a timely fashion.
We regret that the process did not begin earlier because we spent a significant level of effort planning and designing work-arounds to minimize the issues of using the unmodified form.

VII. INDUSTRY AWARENESS AND READINESS

What measures can be taken to improve the overall process for future implementations?
The NPI replaces other identifiers without addressing their business uses. There have been many philosophical discussions within X12 as to the extent and character of changes that should be made to compensate for government attempts through HIPAA regulation to standardize a business that today is not a commodity with uniform data requirements. Some HIPAA requirements have resulted in less automation for some covered entities. Some of the decisions that have been made in the interests of expected long term benefits of administrative simplification leave implementers with the dilemma of high costs for the present.

CMS has announced it will promulgate additional rules for PlanID and transaction clarification. We recommend that CMS work with WEDI to conduct rigorous tests of new standards and "clarifications", such as the PlanID, and proposed definitional changes that effect processing of transactions. These tests should be done well in advance of rule-making, so there is ample opportunity to evaluate findings and modify implementation guides to react to the results.

We recommend that CMS/OESS take a timelier, more active role within X12 to help create versions of the transactions that will minimize implementation costs and disruption of business. Furthermore, along with the regulations mandating new data to be exchanged, CMS should adopt new well-tested versions of mandated transactions customized to handle the new requirements such as NPI, Pharmacy eligibility, ICD-10, PlanID, etc.

While WEDI is doing an admirable job to guide and educate the industry about the NPI, we believe the industry will be better positioned to achieve timely compliance if CMS/OESS were more active in the education and training of the use of these new standards.

IX. OTHER COMMENTS

Most of our Delta Dental Member Companies do not anticipate any return on investment from NPI adoption. The costs of implementation will far outweigh the improvements we might achieve. For those payers who use License Number to determine Rendering Provider, if NPI is properly implemented, the confusion now created by variations of these License Numbers (prefixing/suffixing), should be eliminated. Claims should process more cleanly and quickly. Also, over the next 5-10 years, the NPI might facilitate gathering of information about practice patterns and quality especially over time and over territory of practice.