



May 20, 2008

The Honorable Michael O. Leavitt
Secretary
U.S. Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue S.W.
Washington, D.C. 20201

RE: May 23, 2008 National Provider Identifier Compliance Date

Dear Secretary Leavitt:

The undersigned organizations are writing to strongly urge you to extend the contingency timeframe for the National Provider Identifier (NPI), which expires on May 23, 2008. We are seriously concerned that failing to extend the timeframe will result in enormous cash flow and claims processing interruptions if the NPI is the only identifier permitted on health care claims and other electronic transactions named under HIPAA.

Although we and our members have worked diligently and invested significant time and resources to comply with the NPI deadline, the health care industry is not well served by terminating the one year NPI contingency timeframe at this time. Doing so will only make what has been a complex undertaking, an exceedingly disruptive transition.

According to data from Emdeon, the nation's largest clearinghouse, the estimated financial impact of moving ahead with the May 23 deadline could be staggering. Based upon a sampling of a week's worth of professional claims, if the Department of Health & Human Services (HHS) terminates the contingency timeframe on May 23 and requires the NPI for all provider types possible in a claim, this could result in the rejection rate of almost 69.3 percent, on 10.5 million claims. Under this strict compliance interpretation, the 10.5 million claim sample could translate into \$2.5 billion of rejected claims.

More time is therefore required to ensure the necessary foundation has been laid to switch to the NPI, continue the progress we have made already, and work together through the implementation problems as they are identified.

Therefore, we strongly urge HHS to:

- **Extend the contingency timeframe to allow healthcare providers, software vendors, clearinghouses, payers and others involved in this complex transition, additional time to continue working towards compliance;**

- **Continue working cooperatively with the stakeholders as a whole to ensure this transition moves ahead without wide scale cash and claims processing interruptions which could ultimately trigger access problems to the patients;**
- **Terminate the contingency plan only after consulting with the industry and when it is clear that the vast majority of claims are being processed successfully without interruption; and**
- **Extend the timeframe for required use of the NPI on other named HIPAA transactions given the transition issues associated with use of the NPI on claims persists.**

A more detailed analysis of Emdeon's findings can be found at http://www.emdeon.com/newsroom/npi_guidelines_industry_version.pdf. We appreciate the opportunity to bring this to your attention and welcome the opportunity to address our concerns in more depth.

American Hospital Association
American Medical Association
Medical Group Management Association