



Quality is Our Bottom Line

Insurance Committee Public Hearing

Tuesday, February 19, 2013

Connecticut Association of Health Plans

Testimony in Opposition to

HB 6381 AAC HEALTH INSURANCE CLAIM FORMS AND UNIFORM TREATMENT AUTHORIZATION FORMS FOR MENTAL HEALTH SERVICES

The Connecticut Association of Health Plans respectfully urges opposition to HB 6381. It's important to understand that the Physician's National Provider ID (NPI) Number is not a substitute for their Social Security Number. They are really two different numbers used for two different purposes. The NPI is used for all HIPAA governed transactions. Insurers are required to collect the payee's federal taxpayer ID number for all claims paid in order to make accurate reports to the IRS. A taxpayer ID number is either a SSN or an EIN (Employer ID Number). Some physicians use more than one taxpayer ID number – and some simply use their Social Security Number.

The CMS-mandated claim forms require the taxpayer ID number so that it is clear which taxpayer is receiving the money so that the IRS can determine tax liability. If insurers aren't provided with a taxpayer ID, they will be required to withhold 28% of the claim amount and send it to the IRS since the IRS does not recognize national provider ID numbers.

Please note the following excerpt taken from the CMS website:

Question: "Can I use my group practice's Employer Identification Number (EIN) instead of my National Provider Identifier (NPI) to identify me as a health care provider in HIPAA standard transactions?"

CMS Answer: "No. On and after the compliance date of May 23, 2007, you are required to be identified as a health care provider in standard transactions adopted under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), you must use your NPI. The group practice must also use its NPI when it is required to be identified as a health care provider in HIPAA standard transactions. The Implementation Guides for the standard transactions explain when a health care provider needs to be identified as a taxpayer. When that is required, the group practice would use its EIN to identify it as a taxpayer. If you need to

be identified as an individual taxpayer in a HIPAA standard transaction, you would use your Social Security Number”.

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The Association also respectfully opposes Section 2 of the bill requiring the development of a uniform treatment authorization form for mental health services. The majority of health plans now operate in numerous states across the country and requiring the use of a separate and unique form for only Connecticut residents runs contrary to the efforts of health plans to standardize their processes to deliver health care in the most efficient manner possible. If each state adopted its own standard authorization forms, considerable cost would be added to the system. We urge your opposition.

Thank you for your consideration.