The advantages of applying for an EIN, NPI

Q: I am just starting a limited practice. I am taking your advice and looking at developing multiple income streams. I plan on providing individual and marriage counseling as well as providing workshops on positive communication. I am thinking about applying to Blue Cross and Blue Shield to be a provider but don’t want to get too involved with managed care and other insurance. An accountant told me this could be done using my Social Security number. Is that correct?

A: It is our understanding that you can indeed use your Social Security number for your private practice. We just don’t recommend it. The main reason is identity protection. If a client wants to submit your charges for out-of-network insurance benefits or benefits through a health savings account, your Social Security number has to be on the bill. If you provide workshops sponsored by an organization or business and collect more than $600 in a year, you have to give these entities your Social Security number for tax purposes. Moreover, if you bill insurance, your Social Security number has to go in box 25 on the CMS 1500 and will be printed on the explanation of benefits sent to your client.

As you can see, your Social Security number can be all over the world in a very short time. Get an Employer Identification Number (EIN) for free through the Internal Revenue Service. Go to irs.gov and click on “Apply for an Employer Identification Number Online.”

Q: Do I really need to apply for an NPI (National Provider Identifier) number? I don’t plan on billing insurance.

A: We recommend applying for it. You’ll likely have clients who wish to submit your bill to their insurance plan anyway or who have a flexible spending account (health savings) that covers medical expenses from a pretax deposit with their benefits plan. Or the client may want to apply your services as an out-of-network provider. We have developed a “superbill” that makes it easier for a client to do any of the above. A copy of our superbill is available on the American Counseling Association’s website at counseling.org/Counselors/PrivatePracticePointers.aspx.

An explanation and application for the NPI can be found at nppes.cms.hhs.gov/NPPES/Welcome.do.

Our new bulletin, “Electronic Claims Submission” (Bulletin No. 12), is now on ACA’s website at the address listed in the previous item. The bulletin outlines various ways to submit your billing and get paid by insurance and managed care online.

We will be presenting our workshop, “Private Practice: Surviving or Thriving?” in Michigan, Indiana and Ohio in September. Go to counseling-privatepractice.com and click on “Seminars” for dates and cities.

Robert J. Walsh and Norman C. Dasenbrook are coauthors of The Complete Guide to Private Practice for Licensed Mental Health Professionals. ACA members can e-mail their questions to walshgasp@aol.com and access a series of “Private Practice Pointers” on the ACA website at counseling.org.

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