



## Health care reform update – November 2014

# Health Plan Identifiers (HPID)

### Definitions

- Controlling health plan (CHP): a health plan that controls its own business activities, or is controlled by an entity that is not a health plan.
- Subhealth plan (SHP): a health plan whose business activities are directed by a controlling health plan.

### Summary

Part of the Affordable Care Act (ACA or health care reform law) calls for the Department of Health and Human Services (HHS) to create a series of rules over five years that are designed to help streamline health care administrative transactions, encourage greater use of standard processes by health care providers, and make existing processes work better.

In September 2012, HHS approved a national unique health plan identifier (HPID) requirement. HHS has proposed more rules that will likely require health plans have to “certify” that they are following certain aspects of the Health Insurance Portability and Accountability Act (HIPAA). Information about these new rules can be found [here](#).

On October 31, 2014, HHS released [guidance](#) stating that it will delay enforcement of regulations that require health plans to both get an HPID, and for covered entities to use HPIDs in HIPAA electronic standard transactions when identifying health plans until further notice. This enforcement delay applies to all HIPAA covered entities, including:

- Health care providers
- Health plans
- Health care clearinghouses

The HPID [final rule](#) that required controlling health plans to obtain an HPID by November 5, 2014 for large health plans, and by November 5, 2015 for small health plans, is also part of this delay.

It is not clear how this delay will impact the proposed certification rules.

### HPID Rules

The HPID rules create requirements for different types of health plans to apply for and get HPIDs.

- Self-funded (ASO) health plans and fully-insured health plans with more than 50 employees are “health plans” per HIPAA.
- The October 31, 2014 HHS guidance pushes back the requirement that plans with health benefit receipts of more than five million dollars (\$5M), or “large health plans,” need to get an HPID by November 5, 2014.
  - Controlling health plans (CHPs) must obtain an HPID.
  - Subhealth plans (SHPs) are not required to get an HPID (but their controlling health plan may ask or require them to do so).
- The October 31, 2014 HHS guidance also delays the enforcement of the requirement that plans with health benefit receipts under five million dollars (\$5M), also known as “small health plans,” need to get an HPID by November 5, 2015.
- Finally, the October 31, 2014 HHS guidance postpones health plans having to use HPIDs in HIPAA electronic standard transactions by November 7, 2016.

**Each of these delays is indefinite, until further notice.**

The Centers for Medicare and Medicaid Services (CMS) put on a webinar in February 2013 that explained how to get an HPID. The presentation can be viewed [here](#). Other information from CMS including the final rule, a fact sheet and frequently asked questions can be viewed [here](#).



As a carrier, we have obtained our HPIDs and we will share them when HHS provides final guidance. Even though the enforcement has been delayed, we believe health plans will still be able to get their HPIDs during this delay if they choose.

## Questions and Answers

### **HPID details**

#### **Q. What is an HPID number?**

A. The HPID is a 10-digit, all numeric identifier assigned to health plans by CMS.

#### **Q. Do all businesses have to get an HPID?**

A. No. Only certain health plans have to get an HPID.

#### **Q. What is a “health plan” for purposes of this rule? Is HMO, PPO or CDHP a “health plan” under this rule?**

A. The term “health plan” is defined in HIPAA as plans that provide or pay the cost of medical care, including, among others, health insurance issuers, HMOs, group health plans with 50 or more participants, and certain government health plans. This definition includes most self-funded (ASO) plans. Health Maintenance Organizations (HMO), Preferred Provider Organization (PPO) and Consumer Driven Health Plans (CDHP) are coverage options or types of coverage; therefore, it does not meet the definition of a “health plan” under this rule.

#### **Q. How is a controlling health plan determined?**

A. In the final rule put out by HHS, the Department suggests these questions to decide if an entity is a CHP:

1. Does the entity itself provide or pay for medical care?
  2. Does either the entity itself or a non-health plan organization control the business activities, actions, or policies of the entity?
- If the answer to both questions is “yes,” then the entity would meet the definition of CHP.

#### **Q. Does a controlling health plan have to get an HPID?**

A. Yes.

#### **Q. Is a controlling health plan required to obtain an HPID if it does not directly take part in HIPAA electronic standard transactions?**

A. Whether or not a plan engages in standard transactions does not impact whether a plan needs to obtain an HPID.

#### **Q. Does a subhealth plan have to get an HPID? Why would a subhealth plan need an HPID?**

A. Subhealth plans are not required to get an HPID (but their controlling health plan may ask or require them to do so). The subhealth plan may choose to obtain an HPID because it is the responsible health plan to be identified to the controlling health plan.

#### **Q. How does a controlling health plan or subhealth plan obtain an HPID?**

A. The HPID application is available through the Health Plan and Other Entity Enumeration System (HPOES). View more information and how to register [here](#).

#### **Q. Is there a charge for obtaining an HPID?**

A. No.



**Q. What is the compliance deadline for obtaining an HPID?**

A. On October 31, 2014, HHS released [guidance](#) stating that it will delay enforcement of regulations that require health plans to both get an HPID, and for covered entities to use HPIDs in HIPAA electronic standard transactions when identifying health plans until further notice. This enforcement delay applies to all HIPAA covered entities, including:

- Health care providers
- Health plans
- Health care clearinghouses

The HPID [final rule](#) that required controlling health plans to obtain an HPID by November 5, 2014 for large health plans, and by November 5, 2015 for small health plans, is also part of this delay.

**Q. Will you complete an HPID application for self-funded (ASO) customers?**

A. No. This is not allowed by the rule.

**Q. How are self-insured group health plans to complete the HPID application's Payer ID and NAIC fields?**

A. On July 28, 2014, the Centers of Medicare and Medicaid Services advised that self-funded groups should enter "Not Applicable" in the payer ID field while the NAIC field can be left blank.

**Q. Do fully-insured plans have to get an HPID?**

A. HHS officials had signaled that fully-insured group health plans would not be required to obtain an HPID. HHS confirmed this guidance in a published frequently-asked question with an answer indicating that "fully-insured group health plans are not required to obtain a separate HPID" on October 27, 2014. However, the HHS guidance released on October 31, 2014 will delay enforcement of regulations related to HPIDs. Additional questions may be submitted to HHS at [HPIDquestions@noblis.org](mailto:HPIDquestions@noblis.org).

**Q. Do plans with minimum premium funding arrangements have to apply for an HPID?**

A. HHS officials had signaled that fully-insured group health plans would not be required to obtain an HPID. HHS confirmed this guidance in a published frequently-asked question with an answer indicating that "fully-insured group health plans are not required to obtain a separate HPID" on October 27, 2014. However, the HHS guidance released on October 31, 2014 will delay enforcement of regulations related to HPIDs. Additional questions may be submitted to HHS at [HPIDquestions@noblis.org](mailto:HPIDquestions@noblis.org). Groups should consult their counsel to determine whether their plan is fully-insured.

**Q. Is an HPID needed for the Federal Facilitated Marketplace and State Exchange (Public Exchanges)? Should the employer or Public Exchange get the HPID?**

A. It does not matter if coverage is obtained through a Public Exchange. Public Exchange coverage does not impact the need to obtain an HPID. The responsibility to get an HPID falls on the group health plan, not the exchange. (In most cases, the employer as plan sponsor will obtain the HPID for the group health plan.)

**Q. Do Health Reimbursement Accounts (HRA) require an HPID?**

A. An HRA must assess if it meets the definition of a controlling health plan. Please see FAQ of "[How is a controlling health plan determined?](#)" If an HRA is determined to be a controlling health plan, the rule requires it to obtain a HPID. Please note the compliance date depends on the size of the health plan.

**Q. Is the HPID required on the member's identification card?**

A. No, the HPID is not required to be added to a member's identification card. We do not plan to add the HPID to our member's identification card at this time.

**Q. What is the HPID going to be used for? What do we do with it once we have an HPID?**

A. Initially, HHS had planned to require health plans to include the HPID in all HIPAA electronic standard transactions. However, recently they have indicated that they may be backing away from that requirement. On October 31, 2014, HHS released [guidance](#) stating that it will delay enforcement of regulations that require health plans to both get an HPID, and for covered entities to use HPIDs in HIPAA electronic standard transactions when identifying health plans until further notice.



What a group health plan must do with the HPID once they obtain it is under discussion. It is unclear whether the plan will need to use its HPID in HIPAA electronic standard transactions, and, if not, it is unclear what else the group health plan would need to use it for. HHS' guidance of October 31, 2014 stated that it is considering the National Committee on Vital and Health Statistics' (NCVHS) recommendation to have HHS change the rules that currently require all covered entities to use the HPID in HIPAA electronic standard transactions. We are expecting guidance from HHS on this issue.

**Q. Does an ASO group health plan need to share its HPID with the health insurance issuer? If so, how is the HPID to be shared?**

A. An ASO group health plan may need to share its HPID with the health insurance issuer. Initially, HHS had planned to require health plans to include the HPID in all HIPAA electronic standard transactions. However, they have recently indicated that they may be backing away from that requirement. However, HHS' guidance of October 31, 2014 stated that it will delay enforcement of regulations that require health plans to both get an HPID, and for covered entities to use HPIDs in HIPAA electronic standard transactions when identifying health plans until further notice. As a result, we are not collecting ASO group health plan's HPIDs at this time, but we will decide if we need to collect them once the rules are made clear.

**Q. How can fully-insured and ASO group health plans obtain the health insurance issuer's HPID?**

A. In support of business continuity as a health insurance issuer, we are committed to releasing our assigned HPIDs once HHS provides clarification on HPID's usage. Initially, HHS had planned to require health plans to include the HPID in all HIPAA electronic standard transactions. However, HHS' guidance of October 31, 2014 stated that it will delay enforcement of regulations that require health plans to both get an HPID, and for covered entities to use HPIDs in HIPAA electronic standard transactions when identifying health plans until further notice.

***HPID use in HIPAA electronic standard transactions***

**Q. What HIPAA electronic standard transactions will use the HPID?**

A. The HIPAA electronic standard transactions that will use the HPID include:

- Claim/Encounter – Institutional, Professional, and Dental (837I, P, D)
- Enrollment (834)
- Authorization/Referral Request and Response (278)
- Payment/Remittance Advice (835)
- Premium Payment (820)
- Eligibility Request and Response (270/271)
- Claims Status Inquiry and Response (276/277)
- Health Care Claim or Encounter (275)

**Q. When must the HPID be used in the HIPAA electronic standard transaction?**

A. The final rule identified health plans may have to use HPIDs in HIPAA electronic standard transactions by November 7, 2016. However, HHS' guidance of October 31, 2014 stated that it will delay enforcement of regulations that require health plans to both get an HPID, and for covered entities to use HPIDs in HIPAA electronic standard transactions when identifying health plans until further notice.

**Q. Does the HPID replace the payer ID used in HIPAA electronic standard transactions?**

A. No. To learn more about the terms of "health plan" and "payer" access the Workgroup for Electronic Data Interchange (WEDI) issued a brief titled "What is the Difference Between a Health Plan and Payer?" available [here](#).

**Q. Does using the HPID mean that the HIPAA electronic standard transaction will get routed to the health plan whose HPID is used.**

A. No, the HPID is not used for routing purposes.



**Q. Where can I find more information about the HPID?**

A. Information from CMS like the final rule, a fact sheet and frequently asked questions can be viewed [here](#). Additionally, the Workgroup for Electronic Data Interchange (WEDI) issued a brief titled "What is the Difference Between a Health Plan and Payer?" available [here](#).

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