

Legislative Brief

HCR - HEALTH PLAN IDENTIFIERS

Nov. 14, 2014

ACA HEALTH PLAN IDENTIFER (HPID) REQUIREMENT DELAYED INDEFINITELY

SUMMARY:

- Self-insured group health plans were required to obtain a health plan identifier (HPID) by Nov. 5, 2014 (small self-funded group health plans had until Nov. 5, 2015 to comply)
- On Oct. 31, 2014 (3 business days before the deadline), CMS delayed the enforcement of the HPID requirement indefinitely (i.e., the requirement to obtain an HPID and to use HPIDs in HIPAA standard transactions is delayed indefinitely).

The Health Plan Identifier (HPID) is a standard, unique health plan identifier required by the Health Insurance Portability & Accountability Act of 1996 (HIPAA). The initial deadline for health plans to obtain an HPID was Nov. 5, 2014. On Oct. 31, 2014, the Centers for Medicare & Medicaid Services (CMS) announced that **enforcement of the HPID requirement is delayed until further notice**. This delay applies to:

- The requirement that health plans obtain an HPID; and
- The use of the HPID in HIPAA standard transactions.

This enforcement delay means that health plan sponsors who are subject to the HPID requirement and have not yet received their HPIDs can hold off for now. CMS has not indicated if there will be a new deadline for obtaining the HPID, or when the new deadline will be. Health plan sponsors who have already obtained HPIDs should maintain a record of their identifier.

Indefinite Delay of the HPID Rules

The CMS Office of e-Health Standards and Services (OESS) is responsible for enforcement of compliance with the HIPAA standard transactions, code sets, unique identifiers and operating rules, including the HPID requirement. The OESS issued a Statement of Enforcement Discretion, which provides that, effective as of Oct. 31, 2014, there is a delay, until further notice, in enforcement of the regulations pertaining to the process of obtaining an HPID and use of the HPID in HIPAA transactions. This enforcement delay applies to all HIPAA covered entities, including healthcare providers, health plans and healthcare clearinghouses.

The OESS statement explained that the delay was prompted by a [recommendation](#) of the National Committee on Vital and Health Statistics (NCVHS), an advisory body to HHS. On Sept. 23, 2014, the NCVHS recommended that HHS provide in rulemaking that all covered entities (health plans, healthcare providers and clearinghouses, and their business associates) not use the HPID in HIPAA transactions. The NCVHS instead recommends that the standardized national payer identifier based on the National Association of Insurance Commissioners (NAIC) identifier continue to be used. The enforcement discretion announced by OESS will allow HHS to review the NCVHS's recommendation and consider any appropriate next steps.

For prior guidance issued regarding HPIDs, please refer to our [website](#).

The health care reform law—the Affordable Care Act (ACA)—has many complex requirements for employers and health plans. Please contact Kapnick Insurance Group with any questions about how you can prepare for any of the health care reform requirements. This Kapnick Insurance Group Update is not intended to be exhaustive nor should any discussion or opinions be construed as legal or tax advice. The information contained in this communication is intended to provide general information regarding health care reform and related topics, and is based on general information available at the time it was prepared. Readers should contact their tax and/or legal counsel for advice that is appropriate to their specific circumstances. This information cannot be used by any taxpayer to avoid tax penalties.

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