

News Alert – **Health Plans and The New National Health Plan Identifier Number**

As imposed by the ACA, and as announced by the Department of Health and Human Services (“HHS”), nearly all health plans must obtain a unique health plan identifier number, commonly referred to as an “HPID.” This HPID will be used to conduct certain electronic transactions with HHS, including filing compliance certifications, and other requirements. The deadlines for obtaining the HPID are as follows. Health Plans with more than \$5 million in receipts annually must obtain an HPID by **November 5, 2014**. Health plans with less than \$5 million in receipts annually have a deadline of **November 5, 2015**. Although the deadline is not until November, it is time to start thinking about the application process (as it is already open). An FAQ of the HPID purpose and process is provided below. However, if you have any questions or would like to seek additional guidance, please contact your local account representative.

<b>Questions</b>	<b>Answers</b>
<b>So What Do We Have To Do?</b>	To obtain an HPID, you will need to fill out the application found on the CMS Enterprise Portal (found on the <a href="#">CMS site here</a> ). Unless you are already an existing user of the current Health Insurance Oversight System (“HIOS”), you will need to register and obtain a user ID and password. This will most likely be the case for employers. Please note that the application process is cumbersome, at best.
<b>What Information is Needed To Complete The Application?</b>	To complete the process, you will need the following information: (i) company name, address, and federal Employer Identification Number; (ii) authorizing official information, including first and last name, title, phone number, and e-mail address; and (iii) the health plan’s NAIC number or payer ID used in standard transactions.
<b>Once Application is Complete, What Should I Do with the HPID?</b>	Once the application has been approved, an e-mail notification will be automatically sent to you that will contain your HPID. Although employers will probably never use the HDIP if they do not perform HIPAA standard transactions, it is best to ensure that your plan’s third party administrators and/or business associates have it (as they will be using the number for reporting and administration purposes on your behalf).

<p><b>What About WRAP Plans?</b></p>	<p>Plan sponsors and employers with wrap plans have some relief, it appears. Health plans, called “Controlling Health Plans” under the rules, with wrap-around benefits, such as vision, dental or wellness plans, which are called “Subhealth Plans”, may extend their HPID number to those lines of coverages. However, the Subhealth Plans may obtain their own HPID, at their discretion.</p>
<p><b>Will “Subhealth Plans” Be Required To Obtain Their Own HPID?</b></p>	<p>As stated above, “subhealth plans” may be extended their controlling health plan’s HPID. However, by November 7, 2016, all covered entities must use their own HPIDs to identify health plans in any HIPAA standard transactions.</p>
<p><b>Tell Me Again – What’s The Point of This?</b></p>	<p>One of HIPAA’s goals was to improve the efficiency of the health care system by encouraging electronic data interchange. To facilitate this, HHS issued extensive specifications regarding electronic transactions, including rules requiring medical providers to obtain unique identifiers for use when filing claims and conducting certain other electronic transactions. For some reason, HHS is now requiring health plans to obtain these HPID’s, or unique identifiers.</p>
<p><b>Does This Apply to Fully Insured and Self-Insured Plans?</b></p>	<p>As stated above, each health plan (or controlling health plan) is required to apply for and obtain an HPID. Although the definition of a health plan is not concise and clear, it appears that both fully insured and self-insured health plans need to obtain one. What’s interesting, however, is that given an employers sparse association with the claims payment process, it would make more sense to clarify or redefine “health plan” to include entities with claims processing responsibility (generally, insurers or TPAs), and exclude employer-sponsored health plans.</p>
<p><b>Will This Be Delayed Given Its Complexity?</b></p>	<p>Possibly. The HPID is tied together with some technical issues that HHS is currently solving. In other words, there is a “glitch” in the process. As such, there’s a chance HHS may excuse employers from the need to obtain HPIDs, or delay the deadline for doing so. Therefore, it may not be necessary to rush to the application process (i.e., wait until July/August to determine if delays or not).</p> <p>If there are no delays, and plan sponsors are required to obtain the HPID, the deadline is November 5, 2014, which gives employers 60+ days to complete the application. As</p>

such, delaying the process may allow HHS time to fix its “glitch” and possibly streamline the cumbersome application.

If you have any questions on the information above, please contact your local account representative.