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Obtaining and Using an HPID

The Patient Protection and Affordable Care Act (PPACA) and the Health Insurance Portability and Accountability Act (HIPAA) require that self-insured health plans obtain and use a 10-digit health plan identifier (HPID) in certain transactions. The HPID is one of the many compliance obligations that apply to group health plans under HIPAA, and the PPACA directed the Department of Health and Human Services (HHS) to establish HPID rules. The goal of requiring HPIDs is to reduce administrative costs related to HIPAA “covered transactions” to simplify the routing, review and payment of electronic transactions and reduce errors and manual intervention. Note that a covered health care provider uses a different identifier – called the “National Provider Identifier (NPI)” – which is a unique identifier for healthcare providers for use in HIPAA standard transactions.

CHPs Must Obtain the HPID: A controlling health plan (CHP) must obtain a HPID number for itself. A CHP is a health plan that controls its own business activities, actions or policies, or is controlled by an entity that is not a health plan. A sub-health plan (SHP) is eligible, but not required, to get an HPID. An SHP is a health plan whose business activities, actions or policies are directed by a CHP. For self-insured CHPs, employers will obtain a HPID. Third-party administrators (TPAs) will not obtain an HPID for a sponsor. Large self-funded health plans (more than \$5 million in annual claim receipts) must obtain an HPID by November 5, 2014. Small self-funded health plans (50 or more participants and \$5 million or less in annual claim receipts) must obtain an HPID by November 5, 2015. For fully-insured plans, HPIDs will be obtained by carriers and used on the plan’s behalf in covered transactions. If a self-insured employer/plan uses a business associate (for example, a TPA) to conduct standard transactions on its behalf, the employer must require its business associate to use its HPID to identify a health plan in all covered transactions. Full implementation – the date for using the HPID in covered transactions - is November 7, 2016 for all groups.

Process to Obtain an HPID: A national enumeration system assigns unique HPIDs to eligible health plans through an online application process. The HPID application process takes place through the online Health Insurance Oversight System via (HIOS), as explained in [FAQ](#) guidance and a recently released [new-and-improved quick reference guide](#) and [a related user manual](#). The new and improved quick reference guide provides step-by-step instructions on the registration process. A new user of the application portal must first register by providing required identifying information and creating a user ID and password. After registering and logging in, the user must accept the terms and conditions of use of the website, then request application access. Further steps are required to gain access to the HIOS and the HPID application. CMS provides a

helpful [video](#) titled “Learn how a Controlling Health Plan can obtain a Health Plan Identifier!” describing the application process. The entire application process can take from five to seven days to complete.

Plan sponsors who are not using a TPA to obtain HPIDs may want to assign one person to complete the HPID application process, as it involves multiple registrations and email confirmations. Also, because the HPID requirement applies to each plan (CHP), it is important that plan sponsors determine how many group health plans (CHPs) they sponsor and how many HPIDs they need.

Next Step: Certification Requirement. Under the new rules, by December 31, 2015 (December 31, 2016 for small plans), CHPs that obtained an HPID prior to January 1, 2015 must obtain outside HIPAA Certification of Compliance and then submit: (1) documentation that demonstrates compliance with the applicable standards and operating rules by using one of two available methods (the HIPAA Credential or the Phase III CORE Seal); and (2) its number of covered lives. Regarding certification requirements, employers should wait for further guidance and begin discussions with TPAs to ensure compliance. The methods to demonstrate compliance with these new certification rules are still being developed and HHS expects to provide details on the final rules when they publish the final regulations.

Should you have questions about this or any aspect of healthcare reform, contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#).



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