About the Health Plan Identifier (HPID)

What is a health plan identifier?

Currently, health plans and other entities that perform health plan functions, such as third-party administrators (TPAs)and clearinghouses, are identified in transactions using multiple identifiers. The identifiers differ in length and format — some are alphanumeric and five characters while others are only numeric and nine digits. In 1996, the Health Insurance Portability and Accountability Act (HIPAA) introduced the health plan identifier (HPID). **The HPID creates a standard data element for health plans.** The intent of the HPID is to simplify the routing, review and payment of electronic transactions and reduce errors and manual intervention.

Third-party administrators cannot obtain an HPID for self-funded health plans.

The final rule, published Sept. 5, 2012, adopted a 10-digit HPID for health plans to use in electronic HIPAA transactions. HIPAA transactions include: medical and dental claims and encounters, payment and remittance advice, claims status request and response, eligibility and benefit inquiry and response, benefit enrollment and disenrollment, referrals and authorizations, and premium payment.

Certain health plans are required to have an HPID by Nov. 5, 2014. Health plans apply for an HPID through the Centers for Medicare and Medicaid Services (CMS).

Who needs to obtain an HPID?

Under the final rule, a self-funded customer needs to obtain its own HPID if it meets the definition of a controlling health plan (CHP). A controlling health plan is a health plan that:

1. controls its own business activities, actions, or policies; or is controlled by an entity that is not a health plan and
2. if it has a sub-health plan(s) (SHP), exercises sufficient control over the sub-health plan(s) to direct its/their business activities, actions, or policies.

Health plans, including self-funded plans, will either be a controlling health plan or a sub-health plan. A controlling health plan is required to obtain an HPID, regardless of whether or not it is identified in covered transactions. A sub-health plan is not required to obtain an HPID, unless it is identified in covered transactions. Self-funded customers should consult their legal counsel if they have questions about whether or not they might be a controlling health plan or sub-health plan.

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Under the final rule, only controlling health plans or sub-health plans can obtain their HPID. **TPAs cannot obtain an HPID for self-funded health plans.**

Fully insured customers are not required to obtain health plan identifiers for their standalone fully insured medical plans.

Health plans must have an HPID by Nov. 5, 2014. Small health plans, with annual receipts of $5 million or less, have until Nov. 5, 2015, to obtain their HPID.

Compliance Dates

Nov. 5, 2014	Health plans, excluding small health plans, are required to obtain their HPID.
Nov. 5, 2015	Small health plans are required to obtain their HPID.
Nov. 7, 2016	All covered entities are required to use HPIDs in HIPAA-covered transactions when identifying a health plan in the transaction.

Do HRAs need an HPID?

Health reimbursement accounts (HRA) with 50 or more participants are considered self-funded health plans under HIPAA because HRAs are funded by the employer. This means that a customer with a fully insured medical plan that also manages an HRA will likely be a controlling health plan and need to obtain an HPID for the HRA. A customer with a self-funded medical plan that also funds an HRA will likely consider the HRA to be a sub-health plan. The self-funded medical plan would serve as the controlling health plan making the HRA a sub-health plan. A sub-health plan is not required to obtain an HPID, unless it is identified in covered transactions. If an HRA is a small health plan, with annual receipts of $5 million or less, it has until Nov. 5, 2015, to obtain the HPID.

Health savings accounts and flexible spending accounts are not considered health plans and not required to have an HPID.

How will the HPID be used?

After Nov. 7, 2016, UnitedHealthcare will be required to use a self-funded plan's HPID in a HIPAA-covered transaction, such as an electronic claims remittance advice, only if UnitedHealthcare identifies the plan in the transaction. If UnitedHealthcare does not identify the self-funded plan as the payer or source in HIPAA transactions, but instead identifies a UnitedHealthcare entity that acts as a TPA (as is permitted under HIPAA standards), then UnitedHealthcare is not required to use the plan's HPID. **If the self-funded plan is a controlling health plan, it is still required to obtain an HPID, regardless if its HPID is used in HIPAA-covered transactions or not.** Providers may be instructed to use the HPID numbers when submitting claims.

How do self-funded customers apply for an HPID?

Self-funded customers apply for their HPID online through CMS. CMS gives instructions on its Health Plan Identifier page. The application is found through its Health Plan and Other Entity Enumeration System at CMS Enterprise Portal (https://portal.cms.gov). The application requests a Payer ID or NAIC number. CMS advises that, at this time, those who do not have these numbers may enter "not applicable."

For more information

Visit the Health Plan Identifier page on CMS.gov. For more information on Administrative Simplification or health reform, visit the United for Reform Resource Center at **uhc.com/reform**.