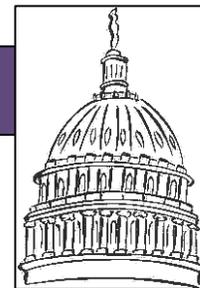




Health Care Reform Update



IMPORTANT NOTICE REGARDING HEALTHCARE REFORM Update #36 August, 2014

Health Plan Identifier (HPID) Requirements

The Administrative Simplification provision of the Health Insurance Portability and Accountability Act of 1996 (HIPAA, Title II) required the Department of Health and Human Services (HHS) to adopt national standards for electronic healthcare transactions and national identifiers for providers, health plans and employers. HHS issued final rules on September 5, 2012, that adopted a standard for a unique health plan identifier (HPID).

To meet these requirements, large health plans must obtain a HPID by November 5, 2014. For this requirement, a large health plan is one with more than \$5 million in annual receipts. Small health plans have until November 5, 2015, to obtain an HPID.

HHS has said that since health plans don't have receipts, insured plans should look at premiums for the prior plan year and self-funded plans should look at claims paid for the prior plan year. Although this requirement applies to all health plans, the insurer will obtain the identifier number for fully insured plans. All self-funded plans will need to obtain the number, even if they use a third party administrator (TPA) to pay claims.

What is a HPID?

An HPID is an all-numeric, 10-digit identifier that will be used as the plan's unique identification number for all HIPAA-covered transactions. It is intended to provide consistency and a standard format for insurers and health plans to identify themselves.

Two categories of health plans, as defined in the HIPAA regulations, are:

Controlling Health Plan (CHP)

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;
- if it has a subhealth plan(s), exercises sufficient control over the subhealth plan(s) to direct its business activities, actions, or policies.

Subhealth Plan (SHP)

A SHP is a health plan whose business activities, actions or policies are directed by a controlling health plan.

What is a standard transaction?

The following is the list of HIPAA standard transactions:

- healthcare claims or equivalent encounter information;
- health claims attachments;
- health plan enrollments and dis-enrollments;



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- health plan eligibility;
- healthcare payment and remittance advice;
- health plan premium payments;
- healthcare claim status; and
- referral certification and authorization.

What types of plans must obtain a HPID?

All controlling health plans are required to obtain a HPID. A third-party administrator cannot obtain a HPID on a health plan’s behalf. The health plan’s HPID must be used when the health plan is identified in a standard transaction.

Note: Business associates of health insurers and self-funded health plans are also required to use the assigned HPIDs when conducting transactions on the insurer’s/plan’s behalf, if the health plan is identified in such transactions.

Are there other permitted uses for a HPID?

The HPID may also be used for any other lawful purpose that requires the identification of a health plan (for example, a health plan ID card).

What is the timeline for compliance with the regulations?

The following chart outlines the required time frames for compliance with HPID requirements.

Entity Type	Compliance Date for Obtaining an HPID	Full Implementation Date for Using HPID in Standard Transactions
Large Health Plans	November 5, 2014	November 7, 2016
Small health plans	November 5, 2015	November 7, 2016
Covered healthcare providers	Not applicable	November 7, 2016
Healthcare clearinghouses	Not applicable	November 7, 2016

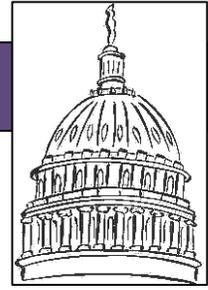
Where do I register for a HPID?

HPID applications are available through the Health Plan and Other Entity Enumeration System (HPOES). The following provides a high-level overview of the application process.

Step 1: Register the organization in HIOS. - CMS Enterprise Portal at <https://portal.cms.gov/>



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- Step 2:** Access HIOS user role management.
- Step 3:** Access HPOES and select an application type.
- Step 4:** Complete and submit an application.
- Step 5:** Authorizing official reviews application.
- Step 6:** HPID or OEID number assigned.

Refer to the following link for a detailed explanation of how to complete the HIOS registration process and HPID application.

<http://www.youtube.com/watch?v=o39nzyOlkpc&feature=youtu.be>

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