

# FYI<sup>®</sup> Alert

## For Your Information<sup>®</sup>

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## CMS Delays HPID Requirements

The Centers for Medicare & Medicaid Services announced that effective October 31 it was delaying enforcement of regulations requiring health plans to obtain HPIDs and to use them in certain HIPAA transactions. Thus, large group health plans will not be required to obtain HPIDs by November 5, 2014. Additionally, the CMS release indicates that the Department of Health & Human Services is reviewing the future use of the HPID in HIPAA transactions.

### Background

The Health Plan Identifier (HPID) is a standard, unique 10-digit identifier required by HIPAA. The Department of Health & Human Services (HHS) issued final regulations on the HPID in September 2012. Under the regulations, a “controlling health plan” (CHP) is required to obtain an HPID to be used in all standard transactions conducted by the plan and its business associates. Large health plans had to obtain their HPIDs by November 5, 2014 (small plans have an additional year to comply). All health plans must use the HPID in standard transactions by November 7, 2016. (See our [October 28, 2014 For Your Information.](#))

### HPID Delay

The Centers for Medicare & Medicaid Services (CMS) [announced](#) on October 31 that it was delaying, until further notice, enforcement of the HPID regulations and the use of the HPID.

In its announcement of the delay, CMS referenced the September 23, 2014 [recommendations](#) of the National Committee on Vital and Health Statistics (NCVHS) that said:

- HHS should rectify in rulemaking that all covered entities (current and future health plans, providers and clearinghouses, and their business associates) will not use HPIDs in administrative transactions, and that the current payer ID will not be replaced with the HPID.
- HHS should further clarify in the Certification of Compliance final rule, when and how the HPID would be used in health plan compliance certification.

The NCVHS outlined issues with the HPID that were raised at its hearings, including:

#### NCVHS' Role

The NCVHS provides recommendations on health information policy and standards to the secretary of the Department of Health and Human Services.

- Lack of clear business need and purpose for the HPID
- Confusion about how the HPID would be used in administrative transactions
- Challenges faced by health plans defining controlling health plan (CHP) and subhealth plan (SHP)
- Use of the HPID for group health plans that do not conduct HIPAA standard transactions
- Cost to health plans, clearinghouses, and providers if software has to be modified to account for the HPID

## In Closing

While the delay in the HPID is welcome, the NCVHS recommendations could have much more significant long-term impact. Over the past several months, Buck Consultants at Xerox has actively participated in efforts coordinated by the ERISA Industry Committee (ERIC) in raising concerns with HHS about these issues and requesting a delay in the HPID deadline and requirements. While later than hoped, this delay provides important relief from the HPID requirements while HHS reviews the NCVHS recommendations.

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