

## HPID REQUIREMENTS FOR SELF-INSURED PLANS

On October 31, 2014, the Department of Health and Human Services (“HHS”) announced a non-enforcement policy “until further notice” regarding the HIPAA Health Plan Identifier (“HPID”) requirement that would have gone into effect November 5, 2014. The HIPAA HPID rules required **all covered entity health plans**, as defined under the HIPAA privacy rules, such as employer group health plans and health insurance issuers to register for a unique identifier number.

The announcement indicated that the non-enforcement policy is to let HHS consider comments from the National Committee on Vital and Health Statistics (“NCVHS”) regarding if there is a real benefit and value in using the HPID, along with a recommendation that HHS clarify in future rule making when and how the HPID will be used and whether all covered entity health plans are required to obtain an HPID (regardless of whether they conduct standard transactions).

**HDP will continue to monitor the status of the HIPAA Health Plan Identifier requirement and will post any new developments as they occur.**

**Based on this announcement and pending further guidance from the government, health plans that have not yet obtained an HPID should not need to do so until further notice from HHS. Health plans that have obtained an HPID also do not need to take any further action at this time.**

### HPID Background

A “controlling health plan” (CHP) is required to obtain a health plan identifier (HPID) to use on all standard transactions conducted by the plan and its business associates. Large health plans (for self-insured plans, generally those that paid more than \$5,000,000 in claims during the plan’s last full fiscal year) must 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.

The HPID regulations define a CHP as a health plan that either controls its own business activities and policies, or is controlled by a non-health plan and, if it has a sub health plan (SHP), controls that plan’s activities. A SHP, in turn, is defined as a health plan whose business activities, actions, or policies are directed by a CHP. An SHP does not need an HPID.

Some employers maintain a single, self-funded plan for several types of coverage such as medical, dental, and vision with separate claims administrators. Others maintain multiple plans (e.g., separate plans for actives and retirees or different classes of active employees). It was unclear what “plan” would be considered a CHP (which must have an HPID and what “plan” would qualify as a SHP (for which an HPID is optional).



**The information contained in this announcement is not intended as legal advice. Health Design Plus, Inc. advises that legal counsel be contacted before making any decisions pertaining to employee benefit matters that are impacted by recent changes in the law.**