



LEGAL ADVICE FOR HEALTH PLANS

HEALTH LAW ALERT

November 2, 2014

Health Plan Identifier Put on Hold

CMS Delays Enforcement “Until Further Notice”

Agency May Reconsider Use of HPIDs

The Centers for Medicare and Medicaid Services (CMS) announced on Friday, October 31 that the agency would not enforce Health Plan Identifier requirements “until further notice.” The announcement came in response to a recommendation from the National Committee on Vital and Health Statistics (NCVHS), which advises CMS on matters related to HIPAA Standard Transactions. Health plans are required to obtain a Health Plan Identifier by November 5* and all covered entities will be required to use the Health Plan Identifiers to identify health plans in standard transactions by November 7, 2016. The enforcement delay means health plans (and other covered entities) do not need to comply with these requirements until CMS provides additional guidance. This delay may be the first step in CMS’s reconsideration of its approach to the HPID requirement.

CMS posted the enforcement delay on its website ([click here](#) and see first heading below “Compliance Deadlines” heading). For more information on the requirements of the HPID Rule, see this [Health Law Alert](#) (or see the 9/5/2012 Health Law Alert on the “Resources” page of [tbixbylaw.com](#)).

In a September 23 letter to CMS, the NCVHS indicated that at public hearings, a “consistent message [was] heard strongly across the industry” concerning the “lack of benefit and value in the use and reporting of HPIDs.” The letter explained that the National Association of Insurance Commissioners (NAIC) developed a national payer identifier that “is now widely used and integrated into all provider, payer and clearinghouse systems.” NCVHS argued that replacing the NAIC payer ID with the HPID “would create a significant disruption in the routing and processing of all administrative transactions.” The letter to CMS indicated that there was a “consensus” within the industry “that HPID should not replace the payer ID

* Health plans with annual receipts of \$5 million or less would have been required to obtain an HPID by November 5, 2015.

currently used by the health care industry.” ([Click here](#) for the NCVHS Letter, see pages 2-3 for HPID discussion and recommendations.)

The result of the enforcement delay is that, until it provides “further notice,” CMS will *not* impose penalties on health plans that fail to obtain HPIDs. Similarly, if CMS has not resolved the issue by the November 2016 compliance date for using the HPID in standard transactions, covered entities will not be penalized for failing to use an HPID to identify a health plan in a standard transaction.

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