



BENEFIT NEWS BRIEFS

HHS Proposes New Required Health Plan Identifier and One-Year Delay of ICD-10

The Department of Health and Human Services (HHS) announced a proposed rule that would establish a unique health plan identifier (*HPID*) under *Health Insurance Portability and Accountability Act of 1996 (HIPAA)* standards for electronic health care transactions. The proposed *HPID* rule would implement an administrative simplification provision of the *Affordable Care Act*.

The proposed rule would also adopt a data element that will serve as an "other entity" identifier (*OEID*) for entities that are not health plans, health care providers or individuals, but that need to be identified in standard electronic health care transactions, such as health care clearinghouses, third party administrators (TPAs) and reprocessors.

Under this proposed rule, these other entities would not be required to obtain an *OEID*, but they could obtain and use one if they needed to be identified in covered transactions. If they obtained an *OEID*, these entities would be expected to use it and disclose it upon request to entities that need to identify such entities for covered transactions. Using their own initiative, covered entities could require their trading partners or business associates obtain *OEIDs* as part of their own agreed upon business arrangements.

The proposed rule would also delay the date by which covered entities must comply with International Classification of Diseases, 10th Edition diagnosis and procedure codes (ICD-10) by one year, until October 1, 2014.

Background

By way of background, the announcement explained that Section 1104 of the *Affordable Care Act* required HHS to issue a series of regulations designed to streamline health care administrative transactions over a five-year period. The regulations are supposed to encourage greater use of standards for electronic health care transactions by health care providers and make existing standards work more efficiently.

In July 2011, HHS published the first regulation in the series that adopted operating rules for two electronic health care transactions to make it easier for health care providers to determine whether a patient is eligible for coverage and the status of a health care claim submitted to a health insurer. See [Benefit News Briefs 2011-45](#) for additional information.

In January 2012, HHS published the second regulation that adopted standards for the health care electronic funds transfers (EFT) and remittance advice transaction between health plans and health care providers. See [Benefit News Briefs 2012-04](#) for additional information.

Future administrative simplification rules will address adoption of:

- operating rules for the health care electronic funds transfers (EFT) and remittance advice transaction;
- a standard for claims attachments; and
- requirements for certification of health plans' compliance with all *HIPAA* standards and operating rules.

The proposed rule has a lengthy discussion of the mechanics of health care transactions and the need for a unique *HPID* and an *OEID*.

Effective Date and Delayed Compliance Date

When made final, the effective date of this regulation would be October 1, 2012 but the compliance date for obtaining an *HPID* by covered entities, excluding small health plans, would not be until October 1, 2014. Small health plans would be required to be in compliance with the *HPID* on October 1, 2015.

Health plans would be able to begin to apply for an *HPID* on or after the expected effective date of the final rule, October 1, 2012, and then must use it in standard transactions by the expected compliance date of the final rule. These dates may change but for now health plans should plan as if these dates are the final dates.

The *HPID* would be a 10-digit, all-numeric identifier with a Luhn check-digit as the tenth digit. The Luhn check-digit is an algorithm used most often on credit cards as a check sum to validate that the card number issued is correct. See <http://www.merriampark.com/anatomycc.htm> for more information. The *OEID* will be similar but will have a different start digit than the *HPID*.

An Enumeration System run by HHS would assign unique *HPIDs* and *OEIDs* to eligible health plans and eligible other entities, respectively. The Enumeration System was described as a comprehensive system for uniquely identifying and enumerating all eligible health plans and other entities.

The Enumeration System would disseminate information through a publicly available searchable database or through downloadable files. Entities may also find

an entity's *HPID* or an entity's *OEID* by requesting the *HPID* from the health plan or the *OEID* from the other entity.

HPIDs and *OEIDs* would only be assigned by the Enumeration System through an online application process. A health plan or other entity would be required to provide certain identifying and administrative information. A help desk will be available to assist health plans and other entities with the online application process as necessary and to notify health plans or other entities about problems associated with their online applications.

The proposed rule is available at <http://www.gpo.gov/fdsys/pkg/FR-2012-04-17/pdf/2012-8718.pdf> or by "[clicking here.](#)"

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