HPID – What is it and who needs it?
Revised 10/31/2014

Note: Late on October 31, HHS announced a delay HPID requirement.

What is an HPID?
A health plan identifier (HPID) is intended to increase standardization within HIPAA standard transactions. Both the Affordable Care Act and the Social Security Act require the adoption of a standard unique health plan identifier. Covered entities are required to use an HPID whenever a covered entity identifies a health plan in a covered transaction. Full implementation for using the HPID in standard transactions is expected to be November 7, 2016.

Who must obtain an HPID?
The HPID final rule created two categories of health plans for HPID purposes – a controlling health plan (CHP) and a subhealth plan (SHP).

A CHP is a plan that:
1. Controls its own business activities, actions, or policies or
2. Is controlled by an entity that is not a health plan and if it has a subhealth plan, exercises sufficient control over the subhealth plan(s) to direct its/their business activities, actions, or policies.

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

When must a CHP obtain an HPID?
A controlling health plan (CHP) must obtain an HPID by November 5, 2014, unless it is a small health plan (annual receipts of $5 million or less). Small health plans must obtain an HPID by November 5, 2015.

CMS issues FAQs
CMS recently issued FAQs which clarified a number of issues including:

Fully insured plans
The carrier must obtain the HPID for the fully-insured plan. The individual employer plans are sub health plans (SHPs) to the fully-insured CHPs. SHPs may obtain HPIDs, but are not required to.

Small health plans
A small Health Plan is a health plan with annual receipts of not more than $5 million. Fully insured health plans should use the amount of total premiums that they paid for health insurance benefits during the plan's last full fiscal year.

Self-insured plans, both funded and unfunded, should use the total amount paid for health care claims by the employer, plan sponsor or benefit fund, as applicable to their circumstances, on behalf of the plan during the plan's last full fiscal year. Those plans that provide health benefits through a mix of purchased insurance and self-insurance should combine proxy measures to determine their total annual receipts.

Self-insured plans
A self-insured health plan must obtain an HPID if it meets the definition of health plan under 45 CFR 160.103 and it controls its own business activities, actions, or policies, or is controlled by an entity that is not a health plan. A health

plan is also a CHP if it has one or more sub health plans that it controls by directing the SHP's business activities, actions, or policies.

Many self-insured plans are controlling health plans and are required to get an HPID whether they conduct standard transactions or not. Since many self-insured plans outsource administration to third-party administrators (TPAs) or other vendors, it is important to note that a TPA, acting on behalf of a health plan, is not a health plan and is not required to obtain a HPID or identify itself as a health plan in standard transactions. However, a health plan may authorize an entity like a TPA to obtain an HPID on its behalf, but the HPID still belongs to the health plan, not the TPA.

Flexible Spending Accounts, HSAs, HRAs

FSAs and HSAs are individual accounts directed by the consumer to pay health care costs and do not require an HPID.

HRAs may require an HPID if they meet the definition of health plan. HRAs that cover deductibles only or out-of-pocket costs do not require HPIDs as these are more like additional plan benefits than stand-alone plans.

Wrap-plans and cafeteria plans can be composed of combinations of health plan arrangements (i.e., self-insured, fully-insured, FSA, HAS, HRA).In the case of a wrap-plan that includes a fully-insured medical plan, self-insured dental plan, and HRA that covers deductibles, would require the employer to obtain an HPID only for the self-insured dental plan. The carrier would be responsible for obtaining the HPID for the fully-insured medical plan. The HRA only covers deductibles; therefore, an HPID is not required.

Obtaining an HPID

In order to obtain an HPID, a health plan should:
1. Create an account in the CMS Enterprise Portal to obtain a user ID and password.
2. Select the link to register in the Health Insurance Oversight System (HIOS).
3. After registering in HIOS, select the link for the Health Plan and Other Entity Enumeration System (HPOES), and follow the prompts.

CMS has posted a User Manual and a Systems Quick Guide to help navigate to HPOES.

What should plan sponsor do now?

If you require an HPID, file for it immediately. The process may take a day or two. However, review the instructions before you actually start the process. Determine who will be the authorizing official. Be patient as you work your way through the process.

Note: all links are active as of the date of issuance of this ErisaALERT.