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Health Plan Sponsors Need to Obtain Health Plan Identifier

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The Affordable Care Act requires that all health plans obtain a unique health plan identifier number, commonly referred to as an "HPID." We have been getting a lot of questions lately about HPIDs. By November 5, 2014, all health plans must obtain an HPID (or November 5, 2015 for "small health plans," which are health plans with annual receipts of $5 million or less). If you haven't already applied for your plans' HPIDs, it's time to start thinking about it because the application process is already open. It appears that an HPID obtained for a wrap plan can cover all of the health plans under the wrap, although an employer can choose to obtain a separate HPID for each "subhealth" plan. By November 7, 2016, all covered entities must use HPIDs to identify health plans in any HIPAA standard transactions.

To obtain an HPID, you will need to fill out the application here. If you are an existing user of the current Health Insurance Oversight System ("HIOS"), you should have already received an e-mail with your new login credentials. If you are a new user, you will need to register with HIOS to obtain an user ID and password. The application process can be cumbersome. However, the website has instructions and videos explaining the process (it's never a good sign when an application is so complicated that it needs a video to explain it). To complete the process, you will need the following information: (i) company name, address, and federal Employer Identification Number; (ii) authorizing official information, including first and last name, title, phone number, and e-mail address; and (iii) the health plan's NAIC number or payer ID used in standard transactions.

Once the application has been approved, an e-mail notification will be automatically sent to you that will contain your HPID. Employers will probably never use the HDIP if they do not perform HIPAA standard transactions. However, a plan's third party administrators and business associates will be using this number a lot, so be sure to share your HDIP with them when you receive it. (You might even consider asking your third party administrator to obtain this number for you!)

There are still some unanswered questions about HPIDs. In particular, the regulations are not clear as to the responsibilities of "plans," versus "controlling health plans," and "subhealth plans." We recently reached out to Health and Human Services ("HHS") to ask whether a separate HPID must be obtained for a fully insured medical plan that is part of a larger wrap plan and, if so, who is responsible for obtaining that HPID. HHS told us that the insurer must obtain an HPID for the fully insured plan. It would seem that this fully-insured "subhealth plan" would then have two HPIDs. However, it appears that the insurance company would use the HPID for that specific subhealth plan. The

take-away is that employers must communicate with their plans' insurance carriers and third party administrators to identify who is obtaining the HPID, and coordinate as needed.

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