

## HHS Finalizes Rescission of HPID Requirement

Issue Date: November 2019

### Introduction

On October 28, 2019, the Department of Health and Human Services (HHS) issued final regulations to rescind the requirement that employers and plan sponsors obtain and use a unique health plan identifier (HPID), as well as to eliminate the voluntary use of an other entity identifier (OEID).

### Background

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) required HHS to adopt a standard unique health plan identifier, to standardize the electronic transmission of certain health information. The goal of the requirement was to increase the efficiency and effectiveness of the healthcare system and to decrease the clerical burden on patients, providers, and health plans.

HHS issued a final rule on September 5, 2012, adopting the HPID as the standard unique identifier for health plans and the OEID as an identifier for entities that were not health plans. While use of the OEID was voluntary, the final rule required all covered entities to use an HPID whenever the covered entity identified a health plan in a covered transaction. Large health plans needed to obtain an HPID by November 5, 2014. Small health plans had until November 5, 2015 to register for an HPID. However, shortly before the first deadline, HHS announced a delay in enforcement of the regulation.

In December of 2018, HHS issued proposed rules to rescind the HPID requirement and OEID standard. The proposed rules acknowledged that stakeholders were overwhelmingly opposed to the HPID, and that the industry had already developed a transaction standard (the Payer ID), into which the HPID and OEID did not fit.

### Analysis

This rule finalizes the December proposed rule, making the elimination of the HPID requirement and OEID standard official, and allowing entities to continue using their Payer IDs for HIPAA standard transactions. HHS indicates that on or after the effective date of the final rule, it will deactivate all HPIDs and OEIDs. Furthermore, HHS will:

- Send an email to all active Health Insurance Oversight System (HIOS) users explaining the deactivation of the HPIDs and OEIDs and upcoming changes to the Health Plan and Other Entity Enumeration System (HPOES).
- Post a notice on the HPOES homepage and the CMS website indicating that the deactivation for HPIDs and OEIDs has occurred and that new applications for either will no longer be accepted. The notices will provide contact information for a help desk and an email.
- Send an email to HPOES module users informing them that all HPID and OEID numbers have been deactivated and that the HPOES system will remain open for 60 days to view information.
- Update the CMS website with information about the HPID and OEID deactivation activities and timeline.

Finally, HHS indicates that it will remove the entire Subpart E of 45 CFR Part 162 ("Standard Unique Health Identifier for Health Plans), along with the definitions of "Controlling health plan" and "Subhealth plan," which are no longer relevant in light of the rescinded requirement.

### Summary

This rescission marks the end of a long period of uncertainty for many stakeholders who were originally subject to the HPID requirement. There are no required actions for employers to take here – all activities to deactivate HPIDs and OEIDs will be handled by HHS. However, HHS continues to encourage stakeholders to consider business cases for a standard health plan identifier and to share those options with HHS or the National Committee on Vital and Health Statistics (NCVHS).

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