

CMS 0040-P Notice to Industry Monday, April 9, 2012

A proposed rule announced today by the Department of Health and Human Services (HHS) would establish a unique health plan identifier (HPID) under Health Insurance Portability and Accountability Act of 1996 (HIPAA) standards for electronic health care transactions. Further, the rule would 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 transactions.

This proposed rule implements section 1173(b) (1) of the Act (as amended by section 1104(c) of the Affordable Care Act), which requires the adoption of a standard for a unique health plan identifier (HPID).

Currently, health plans and other entities that perform health plan functions, such as third party administrators and clearinghouses, are identified in HIPAA standard transactions using multiple proprietary identifiers that differ in length and format. As a result, health care providers run into a number of time-consuming problems, such as

- misrouting of transactions;
- rejection of transactions due to insurance identification errors; and
- difficulty determining patient eligibility.

The rule addresses these concerns by proposing a standard unique identifier for health plans (HPID) and an identifier for other entities (OEID). The HPID and OEID will enable a higher level of automation for provider offices, particularly for processing of billing and insurance-related tasks, eligibility responses from health plans, and remittance advice that describes health care claim payments.

More information on the proposed rule is available on fact sheets at http://www.cms.gov/apps/media/fact_sheets.asp.

The proposed rule may be viewed at www.ofr.gov/inspection.aspx.

Comments are due 30 days after publication in the Federal Register.