



# HIPAA Electronic Standards Fact Sheet

Defense Health Agency (DHA) Information Management (IM) Division

## Proposed Health Plan Identifier (HPID) and Other Entity Identifier (OEID)

### **BACKGROUND:**

A unique, national Health Plan Identifier (HPID) was originally called for under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Subtitle F – Administrative Simplification. In 2010, the Patient Protection and Affordable Care Act (ACA) (P.L. 111-148) called on the Secretary of Health and Human Services (HHS) again to promulgate a final rule to establish an HPID based on the input from the National Committee on Vital and Health Statistics (NCVHS). On September 5, 2012, HHS published a Final Rule adopting an HPID for the purpose of identifying Health Plans in HIPAA transactions and an Other Entity Identifier (OEID) for identifying entities that are not health plans, health care providers or individuals (as defined in 45 CFR 160.103), but that needs to be identified in standard transactions (including, for example, third party administrators, transaction vendors, clearinghouses, and other payers).

Since TRICARE is a health plan, TRICARE will need to obtain and use a standardized HPID for use in HIPAA covered transactions.

### **Why is a national HPID needed?**

Currently, the lack of a single comprehensive scheme to enumerate health plans has resulted in a system that is incomplete and overlapping. For example, State regulators use the National Association of Insurance Commissioners' Company Code; the Internal Revenue Service and Department of Labor use a 12-digit identifier consisting of the 9-digit employer number and a 3-digit plan designation; health care institutions and other health care providers use their own codes or alphabetic and numeric listings of names and addresses; and Medicare fiscal intermediaries and carriers use locally devised codes. A single health plan can have several of these identifiers, each assigned by different organizations for a specific purpose. Some health plans are also assigned multiple identifiers by the same organization because they are known by more than one name. The lack of a standard identifier for health plans costs the health care industry time and money. This is mainly due to the inability to route transactions in a timely way. For example, a health care provider may find that its claim has been routed to several locations before arriving at the correct health plan for payment. This misrouting of transactions results in delayed payments to the beneficiary or provider. A unique health plan identifier will simplify and improve the routing of health care transactions and the administration of health plan benefits.

### **How is the HPID/OEID expected to impact TRICARE and the Military Health System (MHS)?**

The TRICARE health plan is required to obtain an HPID (or HPIDs) and provide HPID(s) to those who need to use them in HIPAA standard transactions by the compliance dates specified in the Final Rule. Obtaining an HPID (or HPIDs) for TRICARE will be done centrally by TRICARE Management Activity (TMA). In addition, HPIDs/OEIDs of other health plans/other entities will need to be obtained and used in the MHS direct care third party billing operations and other standard transactions according to the standard's implementation specification.

## Effective and Compliance Dates

The regulations for the HPID and OEID are effective on November 5, 2012. Health plans, with the exception of small health plans, must obtain an HPID by November 5, 2014. Small health plans must obtain an HPID by November 5, 2015. Covered entities must use HPIDs in the standard transactions on or after November 7, 2016.

Under this final rule, other entities are not required to obtain an OEID, but they could obtain and use one if they need to be identified in covered transactions.

## Who is required to obtain an HPID?

To differentiate between health plan entities that would be required to obtain an HPID and those that are eligible, but not required, to obtain an HPID, HHS categorized health plans into two main categories: Controlling Health Plans (CHPs) and Sub-Health plans (SHPs).

CHPs are defined as a health plan (as defined at 45 CFR 160.103) that—(1) controls its own business activities, actions, or policies; or is controlled by an entity that is not a health plan (2) and if it has a SHP, exercises sufficient control over the SHP to direct its / their business activities, actions, or policies. The following factors need to be considered when determining if an entity is a CHP:

- Does the entity itself meet the definition of health plan as defined at 45 CFR 160.103?
- Does either the entity itself or a non-health plan organization control the business activities, actions, or policies of the entity?

If the answer to both questions is “yes,” then the entity meets the definition of a CHP and is required to obtain an HPID.

A SHP is defined as a health plan (as defined in 45 CFR 160.103) whose business activities, actions, or policies are directed by a CHP. The following considerations help determine whether an entity is a SHP:

- Does the entity meet the definition of health plan at § 160.103?
- Does a CHP direct the activities, actions, or policies of the health plan entity?

If the answer to both questions is “yes,” then the entity meets the definition of SHP. SHPs are not required to obtain an HPID, but may choose to obtain an HPID, or its CHP may obtain an HPID on its behalf.

**Proposed Enumeration Requirements and Options for CHPs and SHPs**

Entity	Enumeration Requirements	Enumeration Options
CHPs	Must obtain and HPID for itself	May obtain an HPID(s) for its SHP(s). May direct its SHP(s) to obtain HPID(s).
SHPs	Not require to obtain an HPID	May obtain an HPID at the direction of its CHP. May obtain an HPID on its own initiative.

## Use of the HPID

The Final Rule requires all covered entities to use an HPID wherever a covered entity identifies a health plan in a covered transaction.

If a covered entity uses a business associate to conduct standard transactions on its behalf, the covered entity must require that its business associate use an HPID in each field where the business associate identifies a health plan in all covered transactions. Covered transactions include:

- Health Care Claims: X12 837 Dental, X12 837 Professional, X12 837 Institutional but not the National Council for Prescription Drug Programs (NCPDP) Pharmacy claim.  
*(The pharmacy industry utilizes two unique identifiers in retail pharmacy transactions, the Bank Identification Number/Issue Identification Number (BIN/IIN) and the Processor Control Number (PCN). These identifiers are programmed into the pharmacy's software and identify the route for processing the transaction from the pharmacy to the entity responsible for administering the claim. The NPRM does not propose the use of the HPID in retail pharmacy transactions.)*
- HealthCare Eligibility Benefit Inquiry and Response: X12 270/271
- Health Care Services Review-Request for Review and Response: X12 278
- Health Care Claim Status Request and Response: X12 276/277
- Benefit Enrollment and Maintenance: X12 834
- Health Care Claim Payment/Advice: X12 835
- Payroll Deducted and Other Group Premium Payment for Insurance Products X12 820
- NCPDP standard for Medicaid pharmacy subrogation Version 3.0

## Other Lawful Uses of the HPID

The Final Rule allows the HPID to be used for any other lawful purpose that requires the identification of health plans. Some examples of permitted uses include the following:

- Health plans may use HPIDs in their internal files to facilitate processing of health care transactions.
- A health plan may use an HPID on a health insurance card.
- The HPID may be used as a cross reference in health care fraud and abuse files and other program integrity files.
- Health care clearinghouses may use HPIDs in their internal files to create and process standard and non-standard transactions, and in communications with health plans and health care providers.
- HPIDs may be used in patient medical records to help specify patients' health care benefit package(s).
- HPIDs may be used to identify health plans in electronic health records (EHRs).
- HPIDs may be used to identify health plans in Health Information Exchanges (HIEs).
- HPIDs may be used to identify health plans in Federal and State health insurance exchanges.
- HPIDs may be used to identify health plans for public health data reporting purposes.

## **OEID**

The OEID will serve as an identifier for entities that are not health plans, health care providers, or “individuals” (persons who are the subject of protected health information), yet they need to be identified in standard transactions. Entities are not required to obtain an OEID, but they could obtain and use one if they need to be identified in covered transactions. If they obtained an OEID, entities are expected to use it and disclose it upon request to entities that need to identify such entities for covered transactions.

### **What will the HPID/OEID look like?**

The HPID/OEID will be a 10-digit, all-numeric identifier with a Luhn check-digit as the tenth digit. The format will essentially be intelligence-free except the start digit of the number will signal whether the identifier was provided to a health plan, “other entity” or a health care provider. Each type of identifier will have a different start digit.

### **How will the HPID/OEID be assigned?**

HPIDs and OEIDs will be assigned by the Enumeration System through an online application process. A health plan or other entity will be required to provide certain identifying and administrative information for verification and eligibility determination during the application process. HHS is still in the process of identifying the specific information that will be collected from applicants for purposes of enumeration.

### **How will the industry gain access to the HPID/OEID?**

The HPID/OEID will be made available to the industry via the Enumeration System. Each health plan is also responsible for sharing their HPID/OEID with other entities that will need to use them in HIPAA electronic transactions.