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PRIORITY

Alert

Delays at CMS May Make It Difficult to Obtain an HPID On Time



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Most health plans—including self-funded and fully insured group health plans—will be required, because of the Affordable Care Act, to obtain a health plan identifier (HPID). An HPID is a standard ten-digit number that will be used to identify a health plan in certain HIPAA standard transactions. The deadline is approaching for large health plans and the process is taking longer than initially expected.

Deadline

Large health plans must obtain an HPID by **November 5, 2014**. But, “small” health plans have an additional year to comply and must obtain an HPID by **November 5, 2015**.

A small health plan is a health plan with “annual receipts of \$5 million or less.” For fully insured health plans, it appears that the

annual premiums for the plan’s last full fiscal year should be used to determine if the fully insured health plan is a small health plan. For self-funded health plans, it appears that the amount paid in health care claims (i.e., not administrative expenses or stop-loss premiums) in the plan’s last full fiscal year should be used to determine if the self-funded health plan is a small health plan. (While not entirely clear, it appears a plan’s fiscal year is its plan year.)

Obtaining an HPID

An insurer of a fully insured group health plan is responsible to obtain an HPID on behalf of a fully insured group health plan. But, a plan sponsor of a self-funded group health plan is required to apply for an HPID on behalf of the plan sponsor’s self-funded group health plans. (A third-

party administrator may assist a plan sponsor to obtain an HPID, but a third-party administrator cannot obtain the HPID on behalf of a plan sponsor). A plan sponsor is required to access the Health Insurance Oversight System (HIOS) in order to obtain an HPID. HIOS can be accessed through the “Enterprise Portal” maintained by the Centers for Medicare and Medicaid Services (CMS), which is found at the following link: <https://portal.cms.gov/wps/portal/unauthportal/registration>.

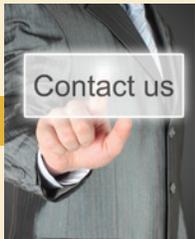
CMS Enterprise Portal Delays

After an authorized individual of the plan sponsor registers on the CMS Enterprise Portal, the authorized individual must “request access” to HIOS. CMS must individually grant access to HIOS by electronically sending the authorized individual an authorization code. After access is requested, an automatically generated message indicates that CMS will typically respond to the request within 24 hours. Unfortunately, it is taking CMS **significantly** longer than 24 hours to grant access to HIOS.

Caution for Sponsors of Fully Insured Health Plans

While it is the insurer that is responsible to obtain an HPID on behalf of fully insured health plans, plan sponsors of fully insured health plans should be aware that an HPID may be required for other self-funded arrangements. Examples of these self-funded arrangements are: Health Reimbursement Arrangements (HRAs) or Medical Flexible Spending Accounts (FSAs). The good news is that HRAs and FSAs are likely to qualify as small health plans and have an additional year to obtain an HPID.

If you have any questions regarding HPIDs, please contact the author or any member of the Employee Benefits Practice Group.



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If you have any questions about the articles in this issue, please contact the author. If you have any question on how any proposed health care reform changes will impact your organization, please feel free to contact Mary Bauman, chair of Miller Johnson’s Health Care Reform Team, or another member of the team.

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