



HIPAA Electronic Standards Fact Sheet

Defense Health Agency (DHA) HIPAA Transactions, Code Sets, and Identifiers Office

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

Bottom Line Up Front:

The adopted standard unique Health Plan Identifier (HPID) and the implementation specifications and requirements for its use and the Other Entity Identifier (OEID) have been rescinded by Final Rule CMS-0054-F “Administrative Simplification: Rescinding the Adoption of the Standard Unique Health Plan Identifier and Other Entity Identifier” (45 CFR 162). The HPID and OEID had been adopted under the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Final Rule to rescind the adoption of these identifiers was published in the Federal Register on 28 October 2019, and the rescinding became effective as of 27 December 2019. After that date, the Centers for Medicare & Medicaid Services Health Plan and Other Entity Enumeration System (HPOES) became inaccessible and all HPIDs were automatically deactivated.

Background:

A unique standardized HPID was originally called for under HIPAA, Subtitle F – Administrative Simplification. In 2010, the Patient Protection and Affordable Care Act (PPACA) (P.L. 111-148) called on the Secretary of HHS to promulgate a final rule to establish an HPID based on the input from NCVHS. On 5 September 2012, HHS published a Final Rule on the HPID to require standard identification of health plans in electronic transactions as well as require enumeration and usage of the HPID in HIPAA transactions. The Final Rule also adopted an Other Entity Identifier (OEID) for identifying entities including but not limited to health care providers and individuals (as defined in 45 CFR 160.103) such as third party administrators, transaction vendors, clearinghouses, and other payers.

The HPID Final rule aimed to address the lack of a single comprehensive scheme to enumerate health plans. The lack of a standard identifier for health plans was perceived to be costing the health care industry time and money; mainly due to the perceived inability to route transactions in a timely manner which resulted in delayed payments to the beneficiary and providers. Therefore, a unique health plan identifier aimed to simplify and improve the routing of health care transactions and the administration of health plan benefits. Below is a series of events that occurred in 2014:

- The NCVHS began to hear a growing concern from health care stakeholders about the HPID policy.
- In February and June 2014, NCVHS held public hearings to evaluate these ongoing concerns.

- By 1 October 2014, CMS announced a delay until further notice in enforcement of rules for obtaining and using HPIDs.

[Recommendation Letter from the June 2014 NCVHS Standards Subcommittee Hearing on the Health Plan Identifier.](#)

On 23 September 2014, NCVHS recommended that Health and Human Services (HHS) rectify in rulemaking that all covered entities (health plans, health care providers and clearinghouses, and their business associates) not use the HPID in the HIPAA transactions.

As noted in the 23 September 2014 NCVHS recommendation letter to the Secretary, stakeholders reported they would obtain no benefit or value by using HPIDs in health care transactions. Specifically, the transaction routing problem that HIPAA sought to resolve had subsequently been resolved by private industry's voluntary adoption of payer IDs, based on the National Association of Insurance Commissioners (NAIC) identifier.

[Statement of Enforcement Discretion regarding 45 CFR 162 Subpart E - Standard Unique Health Identifier for Health Plans](#)

Effective 31 October 2014, CMS announced a delay, until further notice, in enforcement of 45 CFR 162, Subpart E, the regulations pertaining to health plan enumeration and use of the HPID in HIPAA transactions adopted in the HPID final rule (CMS-0040-F). This enforcement delay applies to all HIPAA-covered entities including health care providers, health plans, and health care clearinghouses.

[HPID Request for Information \(RFI\)](#)

HHS released an RFI on 29 May 2015, to solicit feedback from the health care community about the HPID. Specifically, the RFI solicited public comment regarding the HPID including the requirements regarding health plan enumeration and the requirement to use the HPID in electronic health care transactions. Military Health System (MHS) submitted comments in response to the RFI based on their analysis of the impacts to TRICARE as a HIPAA covered health plan and on the broader healthcare industry. HHS reviewed all comments received from the RFI.

[Findings and Recommendations from the 3 May 2017 NCVHS Standards Subcommittee Hearing on the Health Plan Identifier.](#)

The testimony provided at the 3 May 2017 NCVHS Standards Subcommittee hearing was consistent with prior input, and the findings that were provided in the 23 September 2014 NCVHS letter to the Secretary of HHS. The MHS reinforced its position on HPID by sharing that the model established in the HPID final rule appears to take an existing and functioning process and interject a level of uncertain use or value-added for organizations. Furthermore, industry feedback overwhelmingly affirmed that there is no longer an industry need for the HPID in the HIPAA standard transaction sets. After due deliberation, NCVHS recommended the following:

Recommendation 1: HHS should rescind its 5 September 2012 HPID Final Rule which required

health plans to obtain and use the HPID.

Recommendation 2: HHS should communicate its intent to rescind the HPID Final Rule to all affected industry stakeholders as soon as a decision is made. HHS should provide the applicable guidance on the effect a rescission may have on all parties involved.

Recommendation 3: HHS should continue with the 2014 HPID Enforcement Discretion until publication of the regulation rescinding the 5 September 2012 HPID Final Rule.

[Administrative Simplification: Rescinding the Adoption of the Standard Unique Health Plan Identifier and Other Entity Identifier \(45 CFR 162\)](#)

On 28 October 2019, HHS published in the Federal Register the Final Rule titled “Administrative Simplification: Rescinding the Adoption of the Standard Unique Health Plan Identifier and Other Entity Identifier.” The Final Rule rescinded the requirement for adoption of the HPID and OEID. This followed the 18 December 2018 publication of a proposed rule to rescind the identifiers, which was based on input from NCVHS and industry stakeholders. The Final Rule became effective 27 December 2019, and existing HPIDs were deactivated.

[How has the HPID/OEID Impacted TRICARE and the MHS?](#)

In October 2014, TRICARE successfully submitted for and obtained a Controlling Health Plan (CHP) HPID from the CMS enumeration database. However, compliance enforcement was delayed.

Mr. Daniel Sawyer, Defense Health Agency (DHA), MHS lead for HIPAA Transactions, Code Sets, and Identifiers on behalf of the MHS, provided written testimony to NCVHS on the subject of HPID usage on 3 May 2017. The testimony conveyed that the MHS did not identify specific business process benefits associated with the HPID usage model established by the 5 September 2012 Final Rule. Based on HIPAA Transactions, Code Sets, and Identifiers (TCS&I) program office coordination and engagement with functional business process workgroups within the MHS, it was determined that existing identifiers were working and effective, and it was determined there were no specific challenges for which the HPID might provide added benefit.

[Why is a national HPID no longer needed?](#)

The original intent of the use of HPIDs and OEIDs was to identify health plans and clearinghouses to facilitate routing of transactions to appropriate payer recipients. However, the industry has moved to the implementation of payer identifiers (payer IDs) based on the NAIC identifier. These payer IDs are now widely used and integrated into all provider, payer and clearinghouse systems. These payer IDs are currently the basis for routing day-to-day administrative transactions from a provider to the appropriate payer; therefore, modifying the IDs could create a significant disruption in the routing and processing of all administrative transactions.

Potential Other Uses for the Health Plan Identifier

The primary objective in the HHS 2012 Final Rule for adopting a health plan identifier was to create a standardized data element for use within the HIPAA standard transactions. However, HHS also referenced potential secondary uses, i.e., other lawful uses such as for the identification of health plans in the federal and state insurance exchanges and for the health plan certification requirement established in the Patient Protection and Affordable Care Act. As industry needs or policy objectives become clearer, HHS may consider non-transaction applications of a health plan identifier for consideration in its future work plans.

