

April 2014

BENEFITS ALERT: HIPAA Plan ID and Certification

Upcoming Deadlines

Health plans need to be aware of two HIPAA deadlines coming up in the next two years:

- The need to obtain a “Health Plan Identification Number” (HPID), and
- The obligation to certify that the plan complies with HIPAA’s standard transaction rules.

HPID

HIPAA contains rules on how “standard transactions” (certain electronic communications between covered entities, such as between plans and insurers) must be conducted. Pursuant to those rules, each standard transaction must identify the plan using a unique HPID. It was not until recently that the Department of Health and Human Services (HHS) set-up a system (which operates through <https://portal.cms.gov>) for plans to obtain an HPID. HHS produced a short video explaining how to obtain an HPID, which can be found here:

<http://www.youtube.com/watch?v=o39nzyOlkpc&feature=youtu.be>. (Please note when watching the video that most of our client’s plans are considered “controlling health plans.”)

Once obtained, a plan should forward its HPID to any business associate (*e.g.*, third party administrator) that it uses to conduct standard transactions on its behalf.

Plans have until November 5, 2014 to register for an HPID.

Certification

Each Plan must certify that its “standard transactions” (certain electronic communications between covered entities, such as between plans and insurers) comply with HIPAA. HHS has issued rules detailing how plans can certify compliance with some standard transactions, but not others. (As such, certification may be delayed for those other standard transactions.) Once a plan has completed its certification, it must report its compliance to HHS.

There are two ways in which a plan can certify compliance. Plans can use either the HIPAA Credential or the Phase III CORE Seal method. (Please note that the HIPAA Credential method is still being finalized, although HHS has published the expected process and requirements.) Plans that wish to use the HIPAA Credential once it is finalized should be aware that certification is through self-testing. On the other hand, an outside HHS-approved vendor conducts the Phase III CORE Seal method. Plans can use the following link for certification under Phase III CORE Seal method or to obtain more information about the HIPAA Credential method:

http://corecertification.cagq.org/CORE_certification.

Because certification may take time, plans should coordinate certification with any business associates with whom they conduct standard transactions.

Certifications and HHS reporting is required by December 31, 2015.

Penalties

There is a \$1 per covered life (*i.e.*, bellybutton) penalty for each day that the plan does not comply with the certification and reporting requirements. Current proposed rules are not clear if the penalty is applicable to self-funded plans.

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