



theHRBenefitsAuthority

Employee Benefits
Executive Compensation
ERISA Litigation
Human Resources
Employee Communications

May 10, 2012

HEALTH CARE REFORM

New Unique Health Plan Identifier –Yet More Bureaucracy

On April 17, 2012, the Department of Health and Human Services (HHS) proposed rules to assign a **unique health identifier** to certain health plans that transmit health care transactions electronically. *These proposed rules are of particular interest to sponsors of self-funded group health plans.*

Background. Currently, health plans are identified in electronic health care transactions by multiple identifiers that differ in length and format. For example, insurance carriers are typically identified by the National Association of Insurance Commissioners' (NAIC) Company code while self-funded plans typically use the 9-digit Employer Identification Number assigned by the IRS. To address this lack of uniformity, the Health Care Reform Act directs HHS to establish a unique health plan identifier (HPID) no later than October 1, 2012.

The Unique Health Plan Identifier - HPID. The HPID will be a 10-digit all-numeric identifier. HPIDs will be assigned and maintained using an online application called the Enumerations System. Once the Enumerations System assigns an HPID to a plan, it will be publically available through a searchable database.

Most, if not all, self-funded group health plans will be required to obtain an HPID.

Effective Dates. Eligible health plans will be able to obtain an HPID through the Enumeration System beginning October 1, 2012, and they generally will be required to have obtained one by October 1, 2014.

Next Steps. HHS will accept comments on the proposed rule until May 15, 2012. We recommend that plan sponsors of self-funded health plans contact their third party administrators to determine if the plan will need an HPID. If an HPID is needed, plan sponsors will need to determine if the administrator will apply for an HPID for the plan and whether the plan sponsor will incur additional implementation costs as a result of the HPID.

Contact Information. For more information from Mazursky Constantine, please contact Amy Heppner (404.888.8825), Kelly Meyers (404.888.8838) or Jared Beckerman (404.888.8857). For more information from VCG Consultants, please contact Leslie Schneider (770.863.3617).

IRS Circular 230 Notice: To ensure compliance with requirements of U.S. Treasury regulations, we inform you that any tax advice contained in this newsletter is not intended to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code or promoting, marketing or recommending to another party any transaction or matter addressed herein.

999 Peachtree Street • Suite 1500 • Atlanta, GA 30309

www.MCBenefitsLaw.com • 404.888.8820

www.VCGConsultants.com • 770.863.3600