enumerøn
identifiers, e-directory

Peter T Barry, Principal
Enumeron LLC
744 Wedge Drive, Suite 10
Naples, Florida 34103
(414) 732-5000

Revision to this report was requested by CMS and NCVHS in order to show my involvement with Enumeron LLC more explicitly. Section 7.0 is added for that purpose. There are other changes.

NPlanID

National Health Plan Identifier

Report to CMS and NCVHS

Purposes and Requirements for the HIPAA National Health Plan Identifier

July 9, 2010 Revision 1

Personal Interest Acknowledgement [c.f. 7.0]

I am managing member and part owner of Enumeron, LLC, which issues ISO Standard Identifiers for health plans and other trading partners using the assigned ISO 80840-9 that CMS released expressly so that we could find an interim private-sector solution until or if the HIPAA national health plan identifier could be implemented. We formed Enumeron to apply for and hold the 80840-9 IIN while we searched for a non-profit organization to administer the identifiers and electronic directory. When no such organization could be found, we decided that Enumeron should provide the solution.

Copyright © Peter T Barry 2010

Table of Contents

Purposes and Requirements for the HIPAA National Health Plan Identifier

This report to the Centers for Medicare & Medicaid Services (CMS) and the National Committee on Vital and Health Statistics (NCVHS) describes the purposes of the HIPAA National Health Plan Identifier (NPlanID), and from its purposes the report derives the requirements and my recommendations for the identifier and its supporting systems.

Executive Summary

1. ***Purposes of NPlanID***. The primary purposes of NPlanID are to identify: [c.f. 1.1]
   a. Transaction recipient
   b. Administrator
   c. Financially Responsible Party; that is, to whom is the provider extending credit?
   d. Contract counterparty; with whom has the provider contracted?

2. ***Additional Objectives***. The following two objectives may involve NPlanID: [c.f. 1.2]
   a. Identify specific patient benefits
   b. Identify applicable fee schedule; that is, identify it, not the schedule itself.

3. ***Standard Identifiers Needed for Other Trading Partners***. The industry needs standard identifiers for entities other than providers and plans. There is zero additional cost to use NPlanID processes and systems to assign voluntary trading partner identifiers. [c.f. 2.1]

4. ***Table of Plans and Other Trading Partners--Page 12***. This table lists: [c.f. 2.2]
   a. Estimated Number of entities by type of plan or trading partner.
   b. Whether HIPAA defines the type of entity as a health plan.
   c. My recommendation whether enumeration should be mandatory or voluntary.
   d. My recommendation whether the identifier should be NPlanID or TPI (trading partner identifier).

   (If table prints incorrectly, reprint the one page setting "*Auto-Rotate & Center*" in print box.)

5. ***Recommendations on Group Health Plans***. I recommend:

   a. ***Self-Funded*** group health plans could be either mandatory or voluntary. I list this as "*To be decided*". There is value identifying these plans as the financially responsible party. On the other hand, a 271 Eligibility Response is able to identify the plan with description, which might be sufficient. A Self-Funded plan should be able to obtain an NPlanID because of multiple administrators or other reasons and HIPAA directs inclusion; so I recommend at least voluntary. [c.f. 2.3]

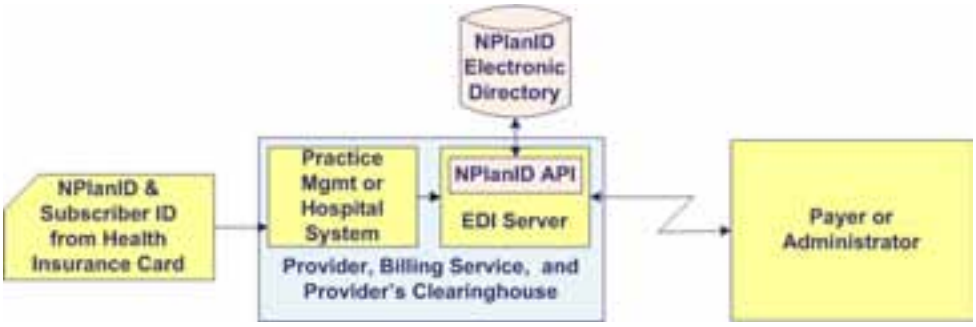
   b. ***Insured*** group health plans, that is, plans that provide coverage by purchasing insurance such that the financially responsible party is the insurance company, should be permitted but not required to obtain NPlanID. There are 3.9 to 4 million insured group health plans. I am unable to discern any benefit from making NPlanID mandatory for these plans, and mandatory would increase the number of NPlanIDs 25 times. A few large plans may need NPlanID because of multiple administrators or other reasons and HIPAA directs inclusion; so I recommend voluntary. [c.f. 2.4]

6. ***NPlanID Should be Like NPI***. The National Health Plan Identifier should be a 10-digit ISO Standard U.S. Healthcare Identifier, with implicit ISO prefix of 80840, just like NPI. [c.f. 3.1]

7. ***Grandfather Existing PlanIDs***. Entities who obtain 10-digit ISO identifiers under authority of ISO Standard 7812 prior to availability of NPlanID should be able to continue using them and incorporate them into the NPlanID standard. There are millions of standard health insurance cards already in circulation that use these plan identifiers, and early assurance by CMS that these identifiers will be grandfathered into NPlanID will go a long way toward removing uncertainty, advancing progress in the interim before NPlanID, and preserve the investment made by early adopters. [c.f. 4.2(b)]

8. ***Access Key***. When NPlanID is the card issuer number, it enables automatic Eligibility Inquiry to obtain more information about the plan and individual eligibility. [c.f. 1.3]

9. ***Directory***. The NPlanID electronic directory should include Transaction Destination Instructions to direct transaction to the correct administrator depending on: (a) Kind of benefit, (b) Type of transaction, (c) Provider location, (d) Special contract, and (e) Provider-payer match on a PPO or subcontracted "carve out". The process is as follows: [c.f.1.4]



10. ***Granularity of Identifier Assignment***. A plan should be able to obtain more than one NPlanID to support multi-benefit cards, multiple administrators, and other factors. A health plan is the best judge as to how many NPlanIDs it needs. [c.f. 1.3(3)]

11. ***Identifier Affiliation***. Since one plan may employ more than one NPlanID, they must be affiliated in the directory with a parent NPlanID identifying the plan *per se*. [c.f. 1.3(3)]

12. ***HIPAA Trade Secret Clause***. The NPlanID Directory must be designed to avoid violation of the trade secret protection clause in HIPAA. [c.f. 5.6]

13. ***Remove Negative Impact of Uncertainty***. CMS should alleviate uncertainty and risk, and enable the industry to progress in the interim with early announcement: (a) that NPlanID will be just like NPI, (b) specific ranges will be set aside for embedded RxBIN, NCPDP-BIN, and N.A.I.C. Codes, (c) granularity will be as recommended in this paper, and (d) that plans who obtain 10-digit ISO identifiers prior to NPlanID may continue using them and they will become part of NPlanID. [c.f. 4.0, 5.4]

14. ***Identifier Control***. An identified entity has right to control its own identifier. [c.f. 5.7]

15. ***On-Line Internet Systems***. Obtaining NPlanID, data maintenance, public database access and disemination should be on-line Internet systems. [c.f. 6.0]

1.0 Purpose and Use of the National Health Plan Identifier

I support the four main purposes for the National Health Plan Identifier (NPlanID) that are delineated by the American Medical Association (AMA) in its current position paper being presented to the July 19, 2010, hearing held by the National Committee on Vital and Health Statistics (NCVHS). Couple notes:

- ***Multiple Roles require Multiple NPlanIDs***. NPlanID identifies roles as much as entities. In any given claim or other transaction, several plan identifiers may be needed because they identify different things. For example, a single NPlanID would not identify both the primary plan and a secondary plan. In other situations, a single NPlanID may serve more than one role; for example, the NPlanID for the primary plan and the administrator may be the same.
- ***Card Issuer Number***. I envision the NPlanID on a health insurance or benefit card to supply the identifier that is sufficient, with support from the electronic directory, to direct transactions, such as the 270 Eligibility Inquiry to the correct destination, and the 271 Eligibility Response standard transaction as returning the other identifiers and requisite information. I envision the electronic directory as directing all transactions to their correct destinations.

1.1 The four purposes are:

1) Identify the Correct Recipient of a Transaction

a. ***Card Issuer Number***. NPlanID identifies the health plan that issues a health insurance card. This is the most important new element on the standard health card[1]. Assuming full implementation by payers and full integration in provider systems, the gross potential savings estimated by the Medical Group Management Association (MGMA) is $22 Billion over 10 years (c. f. www.SwipeIT.org). The attributes of the standard card that are requisite to achieve this benefit level are (i) the standard health plan identifier and (ii) machine readability. These attributes are requisite for 90-95% of the savings. AMA estimates significantly higher savings.

b. ***Transaction Control***. NPlanID, in conjunction with the electronic directory, is used to control transaction destination depending on type of benefit, type of transaction, mode of transaction (interactive v batch), and sometimes provider characteristics such as provider location, PPO, special contract, or subcontracted "carve out". That is, for a given NPlanID, not all transactions go to the same place. NPlanID is the access key to obtain transaction destination instructions from directories.

c. ***Specialty TPAs***. A national plan may contract with, say, a local mental health benefit manager for encounters in a state where special regulations apply. So if the

[1] c.f. WEDI *Health Identification Card Implementation Guide*, November 30, 2010, NCPDP *NCPDP Health Care Identification Card Pharmacy and/or Combination ID Card Implementation Guide* and ANSI INCITS 284 *Health Identification Card*, revised 2008-2010, upon which the WEDI and NCPDP implementation guides are based.

benefit is mental health and the encounter is in that state, the electronic directory directs transactions to the specialty benefit manager rather than to the national plan.

2) *Identify the Administrator for the Health Plan*

a. ***Insurer***. NPlanID may be used to identify the insurer for an insured plan. This use must take care that the NPlanID directory does not disclose inadvertently the customer list of small insurers in violation of the HIPAA Protection of Trade Secrets clause.

b. ***Administrator***. NPlanID may be used to identify the administrator or benefit manager for any health plan. This use must take care that the NPlanID directory does not disclose inadvertently the customer list of third-party administrators, benefit managers, and small insurers in violation of the HIPAA Protection of Trade Secrets clause.

c. ***Secondary Plans***. NPlanID may be used to identify secondary and tertiary health plans. This information might be obtained from the patient or sometimes from the primary plan's files.

3) *Identify the Entity Bearing Financial Responsibility*

NPlanID may be used to identify the health plan or other entity with primary financial responsibility. By financially responsible party is meant the party to whom a provider is extending credit. For insured plans, that would be the insurance company. For self-funded plans, it would be the plan plus a reinsurer.

a. ***Normal case***. In the normal case, a health plan is buttressed by an insurance company or by a self-funded plan's assets backed up by a stop-loss or reinsurance policy. An Eligibility Response is the efficient method to make this information known. Note the NPlanID to identify the insurer or self-funded plan may be the parent identifier while sub-identifiers might be used to identify transaction recipients. Please see discussion in this paper whether enumeration of Self-Funded Plans should be mandated or voluntary. [c.f. 2.3]

b. ***Special circumstance case***. A Trading Partner Identifier may be used to identify the financially responsible entity if it is not a health plan. For example, the financial responsibility may be a reinsurer after a certain limit; it may be a casualty insurance company; or it may be a liable corporation, individual, or estate. For listing the responsible entities in the normal case, standard identifiers are the best structure. However, in special circumstances, descriptive entries are also necessary.

4) *Identify the Entity with whom the Provider is Contracted*

NPlanID and Other Trading Partners may be used to identify the plan, PPO, or other entity having the applicable contract with the provider. Two examples:

a. ***Home/Host***. The insured belongs to a plan in one state, has a medical encounter in another state. The provider's contract is with an affiliated insurer in the second state; so the provider sends transactions to the affiliated insurer in the second state.

b. ***PPO***. In some cases, if there is a match between the plan contracting with a PPO and the provider with the same PPO, the provider is instructed to send transactions to the PPO rather than the plan. In some cases, a PPO may sub-contract with another PPO depending on the location or specialty of the provider. These are functions to be supported by the electronic directory. The directory may also report that more than one PPO is applicable, in which case the provider or provider's business associate makes determination which is the more appropriate PPO to use.

1.2 Two Additional Objectives

The AMA identified two potential other objectives in which a standard identifier may or may not pertain. In each case the subject should be investigated to find the best means to attain these objectives. The two are:

1) ***Identify the Specific Benefits of the Patient Health Plan***.

A robust 271 Eligibility Response transaction is capable of specifying whether a given treatment is covered or not. Trouble is, upon the first Eligibility Inquiry, the provider may not know the full extent of treatment; rather treatment evolves during the encounter. The objective is for the provider to have a means to know the coverage for a reasonable range of treatments. Toward this goal, an Eligibility Response might return an identifier of the benefit plan description, which a provider could use to search on the payer's web site to obtain the full benefit description. There are other means by which the objective could be met such as standardization of the description in computer-readable terms.

2) ***Identify the Applicable Fee Schedule***.

For this objective, the Eligibility Response transaction would identify the contractual fee schedule--not the schedule itself, just identification--that applies for this patient. The provider already has the fee schedule on file inasmuch as the provider contracted with the payer or PPO or other entity; so the objective is to identify which schedule, not the schedule itself.

1.3 NPlanID as Card Issuer Number & Control of Transaction Destination

1) ***Where Used***.

   a. ***Insurance Cards***. All identification cards must identify the issuer of the card and the person or account the card is identifying--consider the uselessness of a charge card that did not identify the bank. So, a health insurance card needs an NPlanID card issuer number to identify the entity responsible for issuing the insurance card. This NPlanID controls destination of Eligibility Inquiries, Claims, and other transactions.

   b. ***Access to Transaction Destination Instructions***. All network communications involve directories, and the NPlanID from a health insurance card is the initial key to the directory by which the destination of a given transaction can be determined.

   c. ***Standard Transactions***. Standard transactions, such as Eligibility Inquiry or Claim, are defined in anticipation of NPlanID.

2) ***Access Key for Obtaining More Information***. NPlanID as a card issuer number enables a provider system to determine the correct destination for an Eligibility Inquiry transaction, from which it may learn other plan information such as the primary plan for the selected benefit, secondary plans on file (often secondary plans are learned from the patient rather than files), the applicable contract, the applicable fee schedule, and the entities that are financially responsible. (The Eligibility response also confirms eligibility, benefits, co-payments, and other information.)

3) ***Granularity of Identifier Assignment***. For the purposes of an insurance Card Issuer and of Transaction Control, there is considerable opportunity to employ fewer NPlanIDs overall. In fact, a few payers feel they need only one. Yet, over time, as these plans issue multi-benefit cards, use multiple combinations of administrators for different benefits, need to work with multiple PPOs, and other factors, they will need more identifiers for the permutations of these factors.

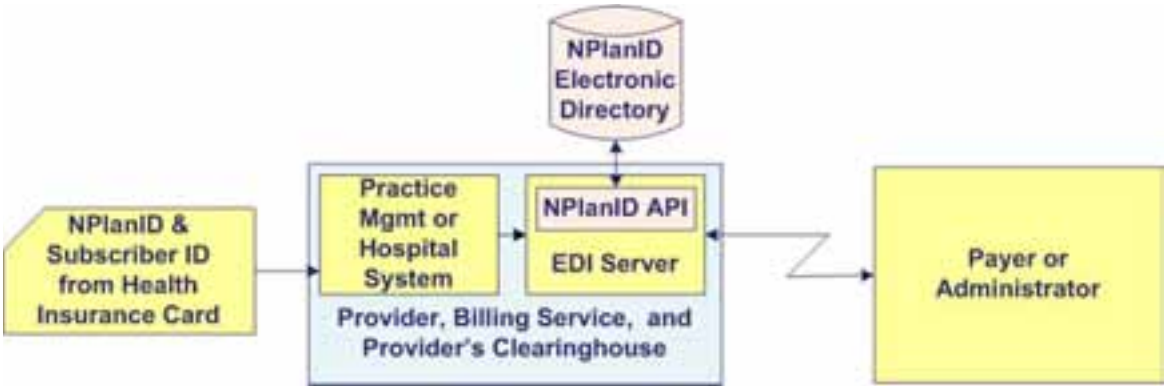
   A health plan or other entity is in the best position to judge how many NPlanID and Trading Partner Identifiers it needs. Plans tend to want the fewest identifiers that are practical. In general, a plan should also have an identifier for each of its communications portals. Factors that indicate more than one NPlanID include:

   - Need to affiliate multiple NplanIDs with an overall or parent NplanID.
   - Combining multiple benefits with different administrators on a single card.
   - Having more than one processing site.
   - Desire to separate different classes of business or product lines.
   - Desire of ASO clients to have their own NplanIDs.
   - Desire to eliminate need for group numbers on their cards.
   - Desire to enumerate at the group level.

   If a plan has more than one NPlanID, it should have a parent NPlanID to identify the plan as a whole; so the system needs identifier affiliation logic.

1.4 Use of the NPlanID Directory

The NPlanID electronic directory provides **Transaction Destination Instructions** to direct transactions to the correct administrator depending on: (a) Kind of benefit, (b) Type of transaction, (c) Provider location, (d) Special or national contract, and (e) Provider-payer match on a PPO and whether transaction goes to the PPO or to the payer. The process is as follows:



1) ***Insurance Card***. The patient presents his or her insurance card to the provider, who enters the essential information from the card into the practice management or hospital information system. The essential identifying information from the card consists of: N PlanID, Subscriber Number, and Group Number if available. Other information, such as dependent suffix, date of birth, names, and other information may also be entered.

2) ***Eligibility Inquiry & Other Transactions***. T he first transaction is a 270/271 Eligibility Inquiry/Response sent the administrator capable of responding to the inquiry. The NPlanID directory carries the Transaction Destination Instructions to determine the correct recipient. Subsequent transactions, such as a Claim, may be sent to the same or different recipient according to the instructions in the directory.

3) ***The EDI Server Inquires of the NPlanID Directory***. The EDI Server in the provider, billing service, or provider's clearinghouse system inquires into the directory to determine transaction destination. Couple notes:

    a. The directory may be l ocated at the central enumeration site or it may be a replicated copy at a clearinghouse or the user's own computers.
    b. If the directory is on the user's own computers, the inquiry is direct and instant.
    c. If the directory is not on t he user's own computers, the inquiry is computer-to-computer over the Internet one NPlanID at a time in the blink of an eye.
    d. The functions of the NPlanID API (application program interface) are to access the directory and determine the correct destination depending on benefit typ, transaction type, provider location, special contract, and PPO match.
    e. I envision the central enumerator as supplying the API software for incorporation into vendor systems to ensure consistent use of the NPlanID directory.

4) ***Send***. When the API determines the destination, the EDI Server sends the transaction.

2.0 Which Entities Obtain NPlanID? Which Mandated, which Voluntary?

The HIPAA law directs DHHS to adopt a standard health plan identifier and it defines *Health Plan* (see Attachment A). Yet there are questions about whether all health plans, including the 4 million insured health plans, are mandated to obtain and use the standard identifier or can it be voluntary? Are entities who are not health plans to be excluded from obtaining standard identifiers either within NPlanID or in a separate identifier type even though the incremental cost to include them is zero? This section contains my recommendations about which entities should obtain standard identifiers, which type of identifier, and whether mandatory or voluntary.

2.1 Industry Needs Standard Identifiers for Other Trading Partners

HIPAA mandated standard identifiers for providers, plans, and employers. That may be a consequence of the 1992 and 1993 Workgroup for Electronic Data Interchange (WEDI) reports that addressed need to identify these entities but ignored the need to identify others.

But many other types of entities send and receive transactions, or are referenced in transactions, and these have the same need for standard identifiers. They include:

- clearinghouses,
- billing services
- re-pricing firms
- subrogation firms
- stop loss insurers
- workers' comp insurers
- casualty insurers
- bill reviewers
- EDI portals to plans & other trading partners
- CDC
- RHIOs, HIEs
- State health agencies
- research organizations
- insurance exchanges

There are two approaches for assigning standard identifiers to other trading partners:

1) ***One Combined Identifier***. Under this approach, the list of entities eligible for the national health plan identifier would be expanded to include the other trading partners listed above.
2) ***Two Separate Identifiers***. Under this approach, there would be two identifier schemes. They would be technically the same, just in different number ranges. The two are:
    a. National Health Plan Identifier (NPlanID)
    b. Standard Trading Partner Identifier (TPI)

Either approach would employ the same processes, systems, and database as will be developed for NPlanID. Therefore, providing for these other trading partners would add **zero *cost and time*** to development and operation of NPlanID.

Voluntary. Since standard identifiers for other trading partners are not currently mandated in law and only clearinghouses in the list above are covered entities, TPI would necessarily be voluntary. In time it would become universal.

2.2 Estimated Number of Entities with Recommended Type of Identifier

TBD = to be decided.

The following are order-of-magnitude estimates to provide scale for design, and for that purpose they have sufficient accuracy. The *Recommend Identifier Type* is my recommendation that the entity be assigned an NPlanID or a TPI (trading partner ID).

Type of Entity involved in Medical Coverage (does not include drug, dental, or vision coverage in estimates)	Number Entities[2]	HIPAA Defines as Health Plan?	Mandatory Voluntary[3]	Recommend Identifier Type
Health insurance company and HMO independent of an insurer.	1,500	Yes	Mandatory	NPlanID
Employee welfare plan for two or more employers, as defined under Multiple Employer Trust (MET) and Multiple Employer Welfare Association (MEWA) interpretation of ¶8 of HIPAA plan definition. Includes Taft-Hartley plans.	10,000	Yes	Mandatory	NPlanID
Long term care insurer.	25	Yes	Mandatory	NPlanID
Medicare and Medicare Contractors.	80	Medicare yes, Contractors no.	Mandatory	Medicare NPlanID, Contractor TBD
Medicare HMO and other.	500	Yes	Mandatory	NPlanID
Medicaid, state plans, agents, & contractors.	350	Plans yes, Contractors no.	Mandatory	Plan NPlanID, Other TBD
Medicaid HMO and other.	500	Yes	Mandatory	NPlanID
Military, CHAMPUS, Veterans, Indian health service.	?	Yes	Mandatory	NPlanID
Federal Employees Health Benefit Program	400	Yes	Mandatory	NPlanID
EDI communications portals	~ 3,000	Plan Portal yes, Other Portal no.	Plan = Man Other = Vol	Plan NPlanID, Other TPI
Third party administrator, ASO contractor, benefit manager.	1,500	No	Mandatory	To be decided
Liability insurers (auto, property, casualty, homeowners, product, malpractice).	1,200	No	Voluntary	TPI
Workers' compensation insurers	?	No	Voluntary	TPI
Other Trading Partners: clearinghouses, billing services, bill reviewers, re-pricing firms, CDC, RHIOs, HIEs, State health agencies, stop loss insurers, reinsurers, subrogation firms, research organizations, insurance exchanges, other partners	~ 3,000	No	Voluntary	TPI
Sub-total	**22,055**			
Self-funded or self-insured medical group health plan administered by a third party administrator or administrative-service-only administrator.	70,000	Yes	TBD	NPlanID
Self-administered group plan excluding those with fewer than 50 employees.	< 100	Yes	TBD	NPlanID
Insured medical group health plans (i.e. those plans that provide coverage by purchasing insurance)	4 Million	Yes	Voluntary	NPlanID

[Note: If this page does not print correctly, reprint just this page with "*auto-rotate & center*" checked in Acrobat Reader print box.]

---

[2] Except when labeled a new estimate by ~ symbol, these estimates are quoted from *Estimated Numbers of Plans by Type*, Working Document 9030, Health Care Financing Administration, October 20, 1997, which also states, *"This paper does not represent a final HCFA position."*

[3] Voluntary as regards government rule; however, commercial contracts might require the standard TPI identifier of counterparties.

2.3 NPlanID for Self-Funded Group Health Plans to be Decided

The benefits of assigning NPlanID to a Self-Funded Group Health Plan are:

1) ***Financial Responsibility***. The plan is the financially responsible entity--that is, the entity to whom the provider is extending credit--and identifying that is a primary purpose of NPlanID. An identifier would be esse ntial for a pr ovider's system to determine cumulative financial exposure to a si ngle entity. On the other hand, the name of the plan and of the reinsurer returned by the 271 Eligibility Response would probably meet the provider's objectives without identifiers if cumulative exposure is not an issue. Identifying the plan as the financially responsible party is an argument in favor of mandating all such plans obtain NPlanID. Being able to meet the need by reporting the plan name is an argument that mandating may not be necessary.

2) ***Multiple Benefit Insurance Cards***. Consumers strongly prefer a single insurance card for all benefits rather than a separate card for each benefit; consumers do not like having one card for medical, another for drug, another for dental, etc. Self-funded plans often use a different mix of benefit managers from what the TPA or ASO contractor provides; so with its own NPlanIDs the self-funded plan is able to issue a single card covering all of the benefits. Its own NPlanIDs also enable it more easily to negotiate change in benefit managers, and it offers branding benefits. This is an argument for voluntary NPlanID; that is, permit but not mandate NPlanID for these plans.

3) ***Easy Enough to Enumerate Self-funded Plans***. The number of Self-funded plans is quite low, about 70,000, such that it should be efficient for administrators and the NPlanID systems to maintain these identifiers.

2.4 Permit but Do Not Mandate NPlanID for Insured Group Health Plans

The HIPAA definition of Health Plan includes *insured* group health plans, numbered in the millions. An insured group health plan is one that provides coverage by purchasing insurance such that the financially responsible party is the insurance company. We discern no benefit from mandating all of them to be enumerated by NPlanID. Therefore, the standard health plan rule adopted by CMS should permit but not require enumeration of all insured group plans.

1) Mandating NPlanID for All Insured Group Health Plans serves no purpose:

The following examines need for enumeration of insured group health plans in relation to the objectives of NPlanID:

Function of NPlanID	Benefit of NPlanID for Insured Group Health Plans.
Card Issuer Number	Not necessary to have millions of card issuer numbers, but some insured group plans may have reason for their own card issuer number.

Function of NPlanID	Benefit of NPlanID for Insured Group Health Plans.
Transaction Control	Not necessary that all insured group health plans have NPlanID for purpose of transaction control; however, some insured group health plans--for example, those with multiple benefits and multiple benefit managers--can have reason for NPlanID; so should be permitted.
Identify Insurer	The NPlanID of the insurer is returned on an Eligibility Response.
Identify Administrator	The NPlanID of the administrator is returned on an Eligibility Response.
Identify Provider Contract	Provider contracts involve payers, providers, PPOs, and other entities. They seldom are a function of insured group plans. So enumeration of all insured group health plans is not required for this purpose of NPlanID.
Financial Responsibility	It is the insurer that is financially responsible for an insured group health plan; so enumeration of all insured group health plans is not required for this purpose of NPlanID.

2) Conclusions on Insured Group Health Plans

a. Based on the analysis of NPlanID objectives above, there is no benefit from mandating assignment of NPlanID to all 3.9 million insured group health plans.

b. Mandating NPlanID for Insured Group Health Plans adds 25 times the number of identifiers at significant cost to the industry but no benefit.

c. However, some insured group health plans--because of multiple benefits, multiple administrators, or other factors--may need their own NPlanID for transaction control; therefore, assignment of NPlanID should be permitted for these plans.

d. Additionally, some payers continue to require group number to identify the subscriber uniquely, thus requiring three identifying elements from an insurance card--card issuer identifier, group number, and subscriber identifier. If the payer obtains a NPlanID for every group health plan and uses that as the card issuer number, it would require only two elements--card issuer and subscriber. That would eliminate perhaps one-third of patient identification errors. To avail of this potential, insured group health plans should be permitted to obtain NPlanIDs. This opportunity requires the electronic directory (see 1.4).

3.0 Design of the Identifier[4]

3.1 NPlanID Should be Like NPI, a 10-Digit ISO U.S. Healthcare Identifier

In January 1996, CMS applied for and was assigned all the ISO Issuer Identification Numbers (IINs) under ISO Standard 7812 for Health Applications in the United States. These IINs were 80840-0 through 80840-9, in which 80 = health application and 840 = United States. By using the same ISO standard, one comprehensive numbering design could uniquely identify every entity participating in health care e-commerce. This is a good thing.

An ISO IIN is required for the 29 ISO identification card standards incorporated by reference in the ANSI INCITS 284 Health Identification Card Standard.

In 1999 CMS determined that the National Provider Identifier (NPI) should be 10 digits, including a check digit, in which the first digit is the sixth digit of 80840-1 and 80840-2, and the 80840 is an implicit prefix. The intention was that NPlanID would be the same design as NPI except it would use a different IIN, say 80840-7, in which case NPlanID would be 10 digits, including a check digit, beginning with, in this example, "7", and be authorized under the same ISO 7812 Standard as NPI. That is, NPI and NPlanID would be of a comprehensive design.

In 2006, because of the long delay in adopting NPlanID, CMS released the 80840-9 IIN back to the ISO authority expressly so that a private sector solution could be found to enable the industry to proceed such that plan identifiers conforming to this design might be grandfathered in or at least cross-walks built to make transition to NPlanID as smooth as practical.

Sometimes the 80840 prefix is explicit and sometimes implicit. But whether explicit or implicit, the prefix ensures the number space is unique. The NPI Final Rule explained this point:

> "If NPI is used to identify the card issuer on a card that complies with INCITS.284, the card issuer identifier would consist of 15 positions as follows: "80840", signifying health applications in the United States, followed by the 10-position NPI… . We note that the initial five digits "80840" would be required with NPI only when the NPI is used as a card issuer identifier on a standard health care identification card." [NPI Final Rule. Federal Register Vol. 69 No.15, Jan 23,2004]

1) ***Example of NPI***. When a provider issues a standard health identification card, it uses the prefix "80840" + NPI as the card issuer number. For example, the card issuer number might be:

   80840 12345 67893
   └NPI, in which the rightmost "3" is usually considered a check digit

2) ***Example of PlanID using this design***. When a health care payer issues a standard health card, it would use the prefix "80840" + PlanID:

   80840 91234 67893
   └*PlanID*, in which the rightmost "3" is usually considered a check digit

[4] The first digit distinguishes NPI from NPlanID. That is intelligence built into NPI. The recommendations in this position paper includes slightly more intelligence to be in NPlanID; for example, the first 3 or 4 digits would indicate to systems when NPlanID contains an embedded ID such as N.A.I.C. CoCode, RxBIN, or NCPDP-BIN. [c.f. 2.9]

3) Advantages of NPlanID as a 10-digit ISO Standard U.S. Healthcare Identifier

a. ***Same as NPI***. The 10-digit design is technically the same as NPI, beginning with a different first digit, and issued under the same ISO authority. It would include NPI and NPlanID in a single comprehensive healthcare identifier design.

b. ***Industry Expectations***. It is what the industry has expected based on NPPES description and conferences.

c. ***Already in Use***. A number of large payers, with aggregate size of 160 million insured members, already have 10-digit ISO U.S. Healthcare plan identifiers.

d. ***Millions of Insurance Cards are Already Using It***. About 25 Million health insurance cards were issued in 2009 and conform to the WEDI *Health Identification Card Implementation Guide,* including standard plan identifiers issued to them under ISO 80840-9 authority. This is a significant investment by early adopters. CMS adoption of this design would preserve prior investment.

e. ***Conforms to Standards***. The design conforms to the 29 ISO card standards incorporated by reference in the ANSI INCITS 284 Health Identification Card Standard, the WEDI and NCPDP implementation guides.

f. ***HIPAA Standard Transactions***. Transaction standards are designed for this structure of national standard health plan identifier.

g. ***HCFA Analysis.*** A HCFA paper[5] states that *"The identifier must be accepted by the USA Registration Committee* [the ISO authority] *in order for it to be the issuer identifier on standardized health care identification cards. It will not be possible to achieve agreement on an ANSI American National Standard health card otherwise, nor could we achieve compatibility with international standards."*

h. ***Designed for Ease of Transition and to Preserve Investment***. The design permits existing identifiers (e.g. N.A.I.C., RxBIN) to be embedded within the NPlanID. For example, some plan identifiers have the structure 9140v-nnnnn, where nnnnn = N.A.I.C. CoCode, and v = variable so check digit works. [c.f. 2.9]

i. ***Cross-Walks and Transaction Destination***. The plan identifiers and trading partner identifiers are designed to include cross-walks to many other identifiers and to include instructions for the destination of transactions depending on mode (interactive v batch), type of benefit, type of transaction, location of provider, involvement of a PPO, and existence of a national or special contract.

j. ***Capacity & Reserve***. The capacity of a single IIN is 100 Million identifiers, and CMS currently has unused reserve of 600 Million identifiers to ensure all conceivable future needs can be met.

---

[5] *PAYERID DESIGN STUDY--National Health Care Payer Identification Initiative*, Health Care Financing Administration and National Technical Information Service, May 1, 1996, page 71. This paper is available from www.ntis.gov.

3.2 NPlanID Consisting of EIN + 3-Digit Suffix is not Recommended

Another recently discussed NPlanID design would consist of an EIN + 3-digit Suffix. The idea would be to use an identifier similar to IRS Employee Welfare Benefit Plan Form 5500. We have serious concerns about this design:

a. ***Premise that EIN already exists is Irrelevant***. The thought is that since EIN already exists, using it would mean it would not be necessary to build and populate a new database. The premise is simply not so.

   The only "*Plan*" in NPPES is the first "P" in the name. The NPPES system does not meet plan identifier requirements; it does not have the database tables, screens, editing, distribution, instructions, or transaction destination logic. It has no capability to affiliate and maintain health plan identifiers and transaction destinations, nor capability to access and replicate the Plan Directory to industry users. That infrastructure is all new.

   That EINs already exist is no benefit because the suffixes for a plan identifier do not exist; therefore the numbers don't exist. Systems still have to be designed and implemented; database records still have to be created; and the data still have to be entered and maintained. Data cannot be downloaded from IRS files because the IRS files do not have salient health plan information nor know the different roles of different suffix values, nor even which EINs to use.

b. ***Applicability***. EIN does not apply to all health plans defined in HIPAA; so pseudo EINs would be needed to achieve a standard applicable to all plans.

c. ***Non-Conformance with ISO and ANSI Standards***. The number lacks a check digit and it is not issued under ISO Standard 7812; so it does not conform to the the ANSI INCITS 284 standard nor the 29 ISO card standards upon which it is based, nor the WEDI and NCPDP Guides, which are based on INCITS 284.

d. ***Risk of Violation of HIPAA Trade Secret Clause***. If a group health plan EIN were linkable to the insurer or administrator, it would correlate to outside databases to disclose full customer lists in violation the HIPAA Trade Secret clause.

e. ***Conflicting Numbers***. A health insurance company would be using the same base number for its clients as for its IRS 5500 filing for its own employee welfare benefit plans, possibly having conflicting suffixes, and in any event risking confusion. On the other hand, if insurers use their clients' EINs, there would be 4 Million different insurance card issuer numbers in circulation for provider systems to decipher.

f. ***Confidentiality***. Health Plans object to using their taxpayer IDs.

g. ***Inefficient***. If a suffix and check digit were added, the number would be 13 digits long to which a provider would add subscriber and group numbers for complete identification.

h. ***Previously Rejected***. At the time of HIPAA, CMS (then called HCFA) analyzed the EIN + 3-Digit design and rejected it for much the same reason as described above.

4.0 CMS Strategy to Alleviate Uncertainty and Risk

The question is what could CMS do immediately regarding the HIPAA National Health Plan Identifier (NPlanID) that would best help the industry to continue moving forward while NPlanID moves through all the long steps to full industry implementation.

4.1 Need to Alleviate Uncertainty and Risk

The present uncertainty and risk about NPlanID is causing renewed negative impact on progress. The uncertainty means Health Plans are hesitating because they are uncertain about how NPlanID will be desi gned, what real schedule it will follow, what "granularity" will be mandated and what will be permitted, and what will happen to those health plans and providers who invested in WEDI-Compliant and NCPDP-Compliant insurance cards. The risk of waiting for NPlanID is that, with all the high priorities in standards and legislation, NPlanID could easily be delayed much longer than thought. The HIPAA statute actually delayed it 15 years.

4.2 CMS Could Alleviate the Uncertainty and Risk

CMS could alleviate uncertainty and risk by making four early announcements that will enable the industry to continue forward progress voluntarily until NPlanID is implemented:

a. Announce that the identifier will be 10-digits under an ISO IIN, the same as NPI,

b. Announce that those plans and other entities who already have, or who obtain prior to availability of NPlanID, 10-digit ISO Standard U.S. Healthcare identifiers may continue using them and they will become part of NPlanID. T his will preserve investment by plans who have already issued WEDI and NCPDP compliant insurance cards. This would require affirmation by Enumeron LLC, which has the ISO 80840-9 IIN, and I anticipate no difficulty with that.

c. Announce that "granularity" in NPlanID is as described in these recommendations.

d. Announce that specific ranges of numbers will be set aside to embed RxBIN, NCPDP-BIN, and N .A.I.C. numbers in order to ease transition from these widely used identifiers while still permitting the end result to be a comprehensive single identifier design for NPI and PlanID. This will especially preserve the investment and extraordinary progress in real-time pharmacy systems.

4.3 What These Four Announcements Will Accomplish

1) ***Continue Progress***. This set of four announcements will enable the industry to continue forward progress on a voluntary basis during the years that the NPlanID rule is developed, published, contracted, systems developed, and mandatory implementation is completed throughout the industry.

2) ***Reduce Risk***. CMS currently has a very heavy workload as a result of developments in standards and recent legislation. There is significant risk that progress on NPlanID may be much slower than any now expect. These announcements lessen risk by making delay less costly since the industry can continue progress regardless.

3) ***Preserve Investment***. This set of announcements will preserve the investment made by those healthcare payers, providers, and vendors who endeavored to advance the industry in the absence but anticipation of NPlanID, and in the appearance prior to this year that such a national standard identifier, 15 years after HIPAA, would not be available for years more.

   - It would preserve the investment made by payers and benefit managers who issued millions of WEDI and NCPDP compliant insurance cards, and by the providers and vendors who have sought to integrate these cards into their systems.
   - It would preserve the pharmacy systems that are dependent on RxBIN and NCPDP-BIN numbers, which are existing health plan identifiers for pharmacy benefit managers, and do it in a way that enables the industry to have a single health plan identifier, not one for pharmacy and a different one for the rest of health care. The pharmacy real-time systems are possibly the most advanced in U.S. healthcare, and they operate off these plan identifiers.

5.0 Other Issues

5.1 Why Not Send all Transactions to Same Recipient?

My Recommendations.

- I recommend a design in which the electronic directory contains instructions on where to send transactions depending on the following factors: (a) Kind of benefit, (b) Type of transaction, (c) Provider location, (d) Special or national contract, (e) specialty benefit manager "carve-out", and (f) Provider-payer match on a PPO and whether transaction goes to the PPO or payer.
- To ensure the directory is used consistently and to reduce investment, I recommend that the central enumerator supply to vendors the API software that inquires into the directory and determines transaction destination. [c.f. 1.4]
- I recommend that other information about a plan be obtained using a 270 Eligibility Inquiry and not be added to the directory. I recommend the directory carry only data identifying the plan, contacting the plan, and directing transactions to the plan. In contrast, the Eligibility Inquiry role is to report attributes of the plan and the individual.

Alternatives. There are two other views about how transaction destination be determined:

1) ***One NPlanID, One Destination***. The HCFA paper of November 1997 contained the following proposal for discussion purposes:

> **"Health plans would not receive PAYERIDs to route health care transactions to separate business divisions within the same health plan. Routing past the single address would be the responsibility of the health plan.**
>
> **"PAYERIDs will not replace any numbers currently used to identify processing locations...".** [Last 2 paragraphs, *Enumeration of Health Plans,* HCFA 11/97].

Intended impact. The intended effect of this policy, which favors larger entities, is to force payers to install internal transaction switches. That has very major, expensive impact on industry, for which corresponding justification would be difficult. It creates problems of fairness, compliance, and enforcement. In contrast, the cost to the NPlanID program of allowing some flexibility for those payers having multiple processing locations would be only some more NPlanIDs and essentially **zero** cost.

Unintended impact. The unintended effect would be continued industry dependence on proprietary address tables. If proprietary address tables pertain in the future, then the policy would be creating unequal treatment for services, clearinghouses, and networks. It would reduce accuracy of plan data, reduce timeliness and the ability to respond to changes in plan data, reduce service level to plans for data maintenance. It would increase user system complexity, increase user implementation cost and continuing operating cost. And it would make for a more rigid overall health care administrative system that would be more difficult to change over time.

2) ***Learn Everything from first Eligibility Response***. Under this approach, the provider makes an initial eligibility inquiry and from the response learns the identifiers applicable for the type of benefit, location of provider, PPO match, "carve-outs", and so forth. This requires the practice management or hospital information system to receive and store additional information adding to provider investment and implementation time. It requires the payer to install more complicated software to determine transaction destinations. This software would undoubtedly differ from one payer to another and be implemented inconsistently. The investment would be required by every payer and administrator. In contrast, the API that I recommend need be developed once, would be consistent throughout all users, more quickly implemented in the industry, and lots less expensive.

5.2 Intelligence in an Identifier is not Unholy

As a general guideline, it is better to minimize intelligence in an identifier. However, this guideline is overrated. It is only a general design guideline rather than religious ideology. Intelligence in an identifier should be used with consideration for costs and benefits.

Identifiers have intelligence. For example, product (bar code) identifiers are comprised of product ID within vendor ID; bank routing number by Federal Reserve district plus ABA number. Social Security Numbers do not begin with "39" because that's used for different tax IDs. NPI begins with "1" or "2" while the National Health Plan Identifier will begin with something else; that's how you can tell the difference. That's intelligence in an identifier.

It is reasonable not to use specific digits in NPlanID to distinguish, for example, section of the country, specific type of plan, specific type of organization, and so forth, which data is better carried in the electronic directory or in the plan's files. It is reasonable not to use a base + suffix, or a hierarchal decimal scheme with suffix upon a suffix in which large blocks of numbers would be unused at the same time other blocks would be exhausted and insufficient.

On the other hand, the guideline is in no way a convincing reason to eliminate the benefits of retaining significant reserve for future needs within an IIN (that is, unused number ranges), or distinguishing between plans and sub-plans (something like Type 1 & Type 2), or embedding legacy identifiers to smooth transition, or enabling a single industry NPlanID structure yet fully preserve the pharmacy industry's RxBIN accomplishments.

5.3 Any digit in an identifier may be the check digit

It is commonly thought that the check digit is the rightmost digit of an identifier. A lot of documentation says that--even the WEDI *Health Identification Card Implementation Guide*. But in fact, any digit in the identifier may serve the purpose.

A check digit is a variable such that when the ISO (Luhn) algorithm is applied to the *entire* identifier, the resulting calculation is divisible by the Modulus, in our case, 10. The algorithm is:

- Start with the rightmost character of the entire identifier. Call that character, Position 1, and number the position of the digits before it 2, then 3, and so forth going left.

- Double each even position. If the result is more than 10, add the result's digits together. The fourth position below = 7, double 7 = 14, add 1+4 = 5. Use 5 in the sum.
- Sum all odd positions and all the converted even positions.
- If the sum is divisible by 10, the check digit is valid. Note we never mentioned which digit--the variable--might be the check digit that makes the algorithm work.

The Implicit 80840 Prefix					The 10-Digit *PlanID* Identifier										
8	0	8	4	0	9	1	4	0	5	6	7	8	8	1	
	x2		x2		x2		x2		x2		x2		x2		
8	0	8	8	0	18	1	8	0	10	6	14	8	16	1	
8	0	8	8	0	1+8	1	8	0	1+0	6	1+4	8	1+6	1	
8	+0	+8	+8	+0	+9	+1	+8	+0	+1	+6	+5	+8	+7	+1	=70
70 is divible by 10; therefore, the identifier is valid.															

In the above example, the *PlanID* is **91405 67881**. The variable that makes the check digit algorithm work is the **5**.

Embedded N.A.I.C. Systems know that if the identifier begins with **9140**, then the rightmost 5 digits, **67881**, is the payer's N.A.I.C. Company Code, which is the most widely used payer ID now. This scheme uses only 1/10th of 1% of the capacity of the 80840-9 IIN.

Why is this important? It means we can set the rightmost digits to an important legacy value such as a payer's existing N.A.I.C. CoCode or the payer's ISO Issuer ID Number and highlight it. This offers useful transition--it helps in the chicken-egg transition problem of who goes first? Most important, it has permanent value to the pharmacy industry.

5.4 Advantages of Embedded Legacy Identifiers

1) ***RxBIN and NCPDP-BIN*** are the existing 6-Digit identifiers for pharmacy benefit managers. RxBIN is nnnnnn, and NCPDP-BIN is 0nnnnn. RxBIN is an ISO Issuer Identification Number assigned by the USA Registration Committee. NCPDP-BIN is assigned by NCPDP using a leading zero as specified in ISO Standard 7812.

   We'll use *RxBIN* to refer to both identifiers. RxBIN is critical to real-time pharmacy systems. I propose a method that incorporates RxBIN within NPlanID while requiring **no change** to pharmacy systems. Hence, the proposal completely preserves the investment and remarkable success already achieved by the pharmacy industry.

   The best way to include pharmacy in NPlanID while still retaining the present efficiency and investment is to assign a specific range of NPlanID numbers in which RxBIN identifiers are embedded. For example,

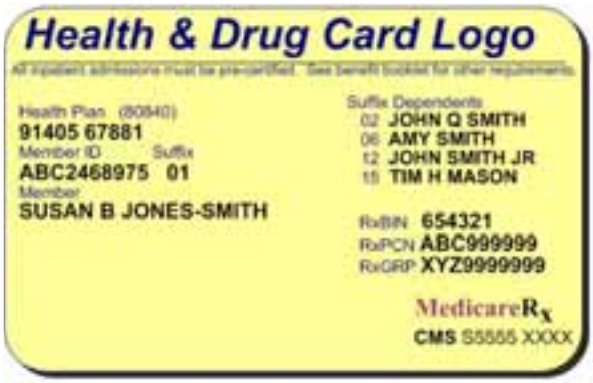
   > **Let 915v-nnnnnn = NPlanID where the rightmost 6 digits, "nnnnnn", are RxBIN and "v" is a variable that makes the check digit work**. If the plan identifier begins with "915…", then the last 6 digits are RxBIN.

   Alternatives. There are two approaches to preserving the RxBIN achievements:

   1. ***Dual Identifiers***. The health industry could create a dual plan identifier, NPlanID and RxBIN, each operating within context. The current NCPDP health ID card

implementation guide uses the 6-digit identifiers and, in order to comply with the ANSI INCITS 284 and ISO card standards, the card carries a 10-digit PlanID that identifies NCPDP itself and that is not involved in transactions or processing. That is, the card has two plan identifiers with different formats, one of which is not used.

2. ***One Plan Identifier***. Instead, by using RxBIN embedded in NPlanID:



Combination Medical & Drug Card, No Change from Today's Standard

Drug-Only Card, No Change from Standard Same RxBIN, PCN, RxGrp Numbers

- The industry would preserve all its existing efficiency and investment. There would be no change in pharmacy operations, no change in NCPDP standard transactions, no change in switching systems, no change in benefit manager systems. So there is no learning curve and no cost to processes and systems.
- The only change to drug insurance cards would be replacement of the unused PlanID identifying NCPDP with the PlanID that identifies the RxBIN number.
- There would be no need for mass reissue of cards, only as they would be issued in the normal course of business; so there is no incremental cost for cards.
- The industry would join all health care using the same standard plan identifiers.

2) ***ISO IINs***. Some health plans obtained 6-Digit IINs directly from the ISO authority, USA Registration Committee. There are not enough unused IINs for all U.S. health plans to go this route, nor would ISO agree to it since the IINs are shared throughout the world. But for those plans who already have ISO IINs, the same scheme can be used for their IINs as for RxBIN and NCPDP-BIN numbers to assist transition.

Let 916v-nnnnnn = NPlanID where the rightmost 6 digits, "nnnnnn", are ISO IIN.

3) ***N.A.I.C. Company Code***. The most widely used payer number is the N.A.I.C. CoCode. The N.A.I.C. CoCode is a 5-digit identifier. To preserve that number for ease of transition, while still including these plans in NPlanID, is to assign a specific range of NPlanID numbers in which N.A.I.C. identifiers are embedded.

Let 9140v-nnnnn = NPlanID where the rightmost 5 digits, "nnnnn", are N.A.I.C. Company Code and "v" is a variable that makes the check digit work.

Note the N.A.I.C. CoCode cannot be the entire NPlanID because it is not available to all plans nor does it have the capacity.

5.5 Other Requirements and Opportunities

I received constructive suggestions for additional requirements and opportunities for the plan identifier following the May 31 version of this position paper. The requirements and database design to implement enhancements need further development. Two examples are:

1) ***Special Processing Driven off a Payer Identifier***. P rovider and clearinghouse systems have special software logic triggered by a payer identifier. Two examples:
   - Enforcement of companion guide requirements such as not letting claims be sent by the provider's system or rejecting claims at the clearinghouse for non-conformance with companion guide specifications.
   - Invoking special logic based on characters in the Member ID.

   It is possible that some of this special software could be l essened if instructions or codes were carried on the transaction instruction records in the directory, and some could be eliminated by the payer using more than one plan identifier.

2) ***Support for Insurance Exchanges***. R ecent legislation requires establishment of health insurance exchanges. It may be that the directory for health plan identifiers could contribute to this development. F or example, it could give identifiers to specific benefit packages and fee schedules.

5.6 The HIPAA Statute includes protection for trade secrets:

SEC. 1172 (e) PROTECTION OF TRADE SECRETS.--Except as otherwise required by law, a standard adopted under this part shall not require disclosure of trade secrets or confidential commercial information by a person required to comply with this part.

The directory must ensure that the customer lists of payers and administrators, especially small insurers and third-party administrators or benefit managers, cannot be derived from the data in the directory or by correlation with outside databases. Two requirements are:

1) ***Option to Block Group Health Plan Names from public-view Directory***. If NPlanID is a number like NPI, then this protection is easily accomplished by enabling the insurer to block inclusion of its group health plan names from the public view of the directory. A provider would obtain the name of the group either from it being printed on a patient's insurance card or from response to an Eligibility Inquiry.

2) ***Do Not Use Tax IDs***. If NPlanID were to employ tax identification numbers for group health plans, especially self-funded group health plans, and t hese numbers were employed in any way to control transaction destinations, then because of the availability of outside databases with EINs identified, the customer lists would be easily derived, thus violating the HIPAA Trade Secret clause. Therefore, if NPlanID employed tax identification numbers, they could not be used by group health plans on insurance cards or for transaction control, the two most critical benefits of NPlanID.

5.7 Entity Being Identified has Right to its Own Identifier. Say Acme Transfer Corporation has an NPlanID obtained for its health plan by TPA X. Acme moves its business to TPA Y. Acme has the right to move management of its NPlanID to itself or to TPA Y.

6.0 System and Database Design

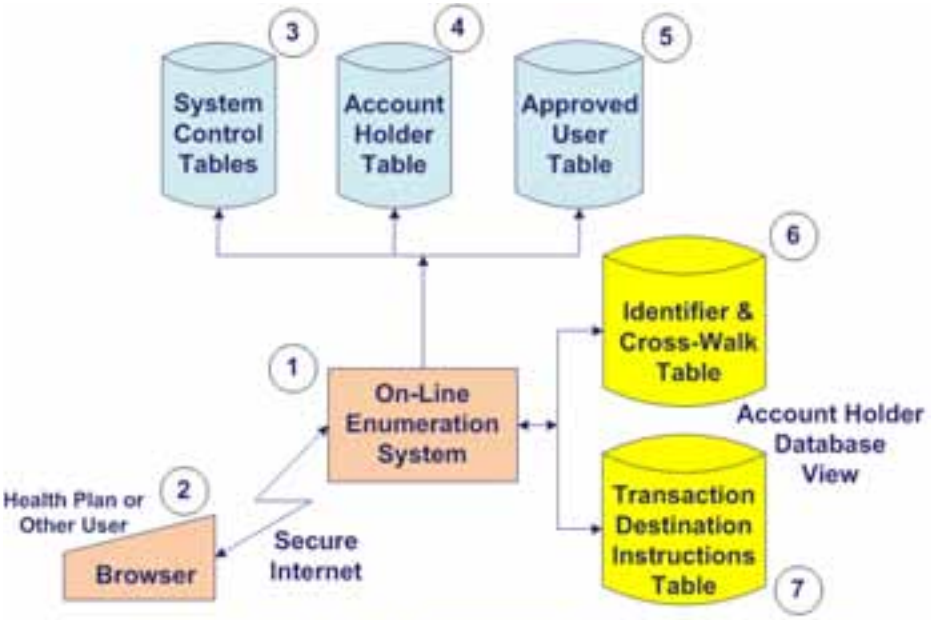
6.1 System Design Guidelines

1) ***Achieving Accuracy***. The critical goal in the directory is accuracy. The design guideline to achieve accuracy is for the health plan or other entity that would most feel the inconvenience of inaccuracy to be responsible for maintenance of its own information[6]. For example, the health plan being identified by NPlanID needs to be responsible. In the case of a group health plan or a payer subsidiary, it may delegate responsibility to its insurance company, administrator, or parent.

2) ***Overt Application for an Identifier***. The corollary is that the plan or other entity must apply for its identifiers, not have them assigned from some industry database, which itself is inaccurate and lacks important plan information. The plan or other entity is most likely to take ownership if it overtly applies for its identifiers.

6.2 On-Line Internet Enumeration and Maintenance System

The On-Line Internet Enumeration System is required to enable authorized users, after having established an approved "Account", to obtain new NPlanID instantly and to maintain all data associated with each identifier. A schematic of such a system is as follows:



On-Line NPlanID & TPI Enumeration System Schematic

1) On-Line Internet Enumeration System

Through the Enumeration System, a user may only view[7] and update account, user, and identifier information owned by the user's account. The Enumeration System does not

[6] Enumeron also gains some additional client responsibility, particularly when identifiers become inactive, because it charges a small annual subscription fee.

[7] We use present tense here to avoid the continuous tedium of "should be", "is recommended", and subjunctives.

allow a user to access information from another account. However, all account holders are also able to access the Public View database updated as of the previous day of all identifiers as described later in this section.

2) Browser Operation

All operation of the system is via secure Internet Browser. Only approved users of an established "Account" may log in.

3) System Control Tables

The system employs parameter controls so that system operating changes may most often require only change in parameter or instruction tables rather than requiring extensive re-programming and testing. The control tables include (i) Defined Registries such as NPlanID, (ii) Number Ranges open for use, and (iii) Code Tables.

4) Account Holder Table

When a health plan or other entity desires to access the On-Line Internet Enumeration System, it must first apply for, and be approved for, an "Account". This process enables the enumerator to screen the applicant as legitimate. All operations of the system must be through an approved account.

5) Approved User Table

A User is a person who is authorized to operate a browser to apply for a new identifier and maintain the account and the account's identifier information. An account may have multiple users. It must have at least one user.

6) Identifier and Cross-Walk Table

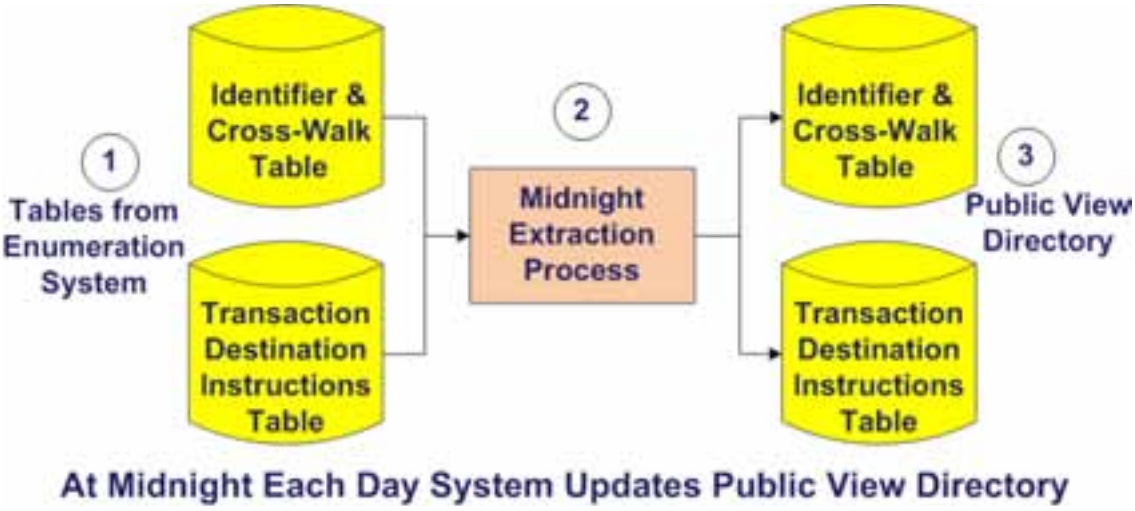
The system maintains descriptive information for every NPlanID identifier and also cross-walk indices for the other identifiers associated with the NPlanID. Permitted cross-walk indentifiers include N.A.I.C. Company Code, RxBIN, and other identifiers defined in the Code Tables.

7) Transaction Destination Instructions Table

A single identifier may have multiple Transaction Destination Instructions. These control where a transaction should be delivered; they do not control route, only destination. Destination may differ depending transaction mode (interactive v batch), type of transaction (eligibility inquiry, precertification notice, claim, etc.), type of benefit (medical, dental, vision, drug), provider location (home/host), provider-payer match on a PPO, or special or national provider contract.

6.3 Daily Update of Public View Directory at Midnight

At midnight each day the system extracts changes that occurred to the Identifier and Transaction Destination Tables during the day. It uses these changes to update the Public View Directory.



1) Tables from the On-Line Internet Enumeration System

These are Tables "6" (Identifier & Cross-Walk) and "7" (Transaction Destination Instructions) from the On-Line Internet Enumeration System described above. During the day account holders may have made changes to their data in these two tables. Note, data from the Account and User Tables in that system are not included in the Public View Directory. Account and User data are confidential to the account holder.

2) Midnight Extraction Process

At midnight every day the system extracts all changes from the Identifier/Cross-Walk Table and the Transaction Destination Instructions Table and updates the Public View Directory.

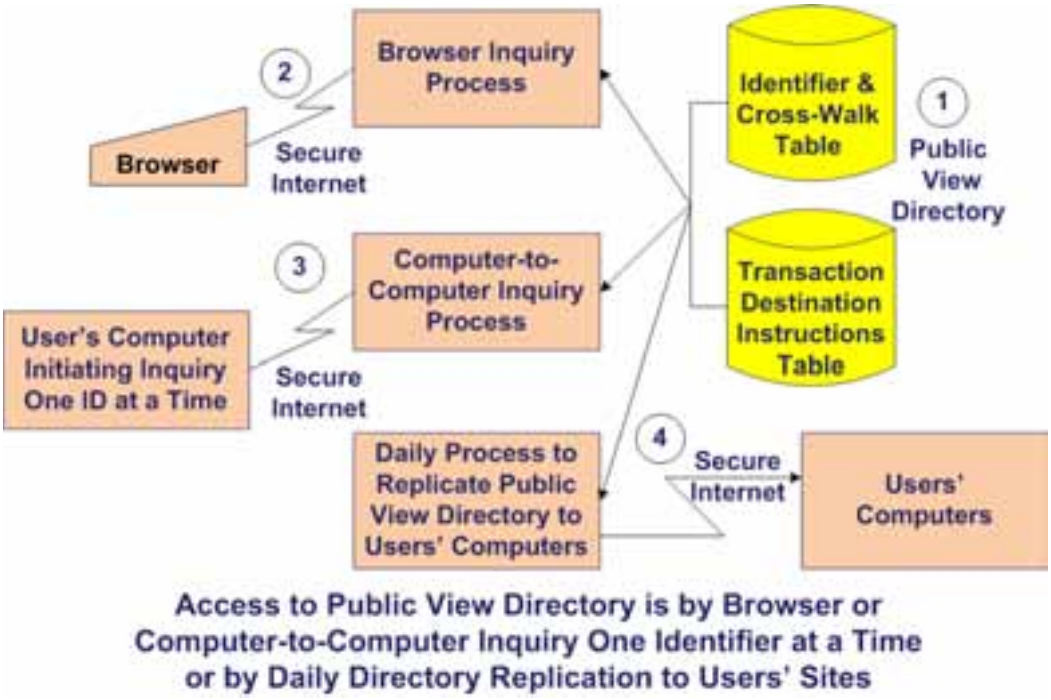
3) Public View Directory

The Public View Directory is very similar to the corresponding tables in the Enumeration System. Certain information is not available in the Public View because of confidentiality reasons. For example:

- The Identifier Table does not list the account owner of an identifier. The account owner is not relevant to the purposes of NPlanID anyway.
- At the option of the account holder, the name of group health plans may be omitted. This is also part of complying with the HIPAA Trade Secret clause. It prevents the directory from being mined for customer lists. A provider may obtain the name of the group from what is printed on a patient's insurance card or an Eligibility Inquiry.

6.4 Access to Public View Directory

The system provides multiple methods for obtaining information from the Public View Directory. This schematic describes the methods:



1) Public View Directory

The Public View Directory is "3" in *Daily Update of Public View Directory at Midnight* described previously. It consists of the Identifier/Cross-Walk Table and the Transaction Destination Instructions Table.

2) Browser Inquiry Process

An account holder connecting with a Browser, including one limited to inquiry, may inquire into a NPlanID via the identifier or one of its cross-walks. Browser inquiry is one identifier at a time via a browser. There need to be protections against key simulation that might attempt to mine the directory.

A user may make a simple inquiry or may describe an intended transaction and find instructions where to send the transaction.

3) Computer-to-Computer Inquiry

The computer of an account holder, including one limited to inquiry, may inquire into a NPlanID via the identifier or one of its cross-walks. The computer-to-computer session is over secure Internet. Each inquiry is one identifier at a time. There need to be protections against mining of the directory.

The computer-to-computer inquiry may be a simple inquiry or it may describe an intended transaction and find instructions where to send the transaction.

6.5 Data to be Maintained by the System

The database content includes the following:

1) System Control Tables

The system control tables are parameter files that give the system considerable flexibility for change with little or minimal programming change. These tables include:

- ***Registry Table***. Only two registries are included in this report, but the table permits additional registries to be added in the future. The two current registries are:
    - National Health Plan Identifier (NPlanID)
    - Other Trading Partner Identifier (TPI)
- ***Block Control Table***. This table enables the system to define Identifier number (or alpha in some future use) ranges to be open for use and other ranges to be held in reserve. Specific use designates which Registries, general pool open for random or specific request, blocks assigned for embedded cross-walk identifiers, and other.
- ***Code Table***. The various codes include type of cross-walk identifier (e.g. N.A.I.C., RxBIN), type of organization being identified (HMO, insurance company, TPA), password recovery questions, and other codes. Some code values include certain processing instructions.

2) Account Table

Data in the account record include:

- Account status, Account type
- Account names: legal name, apha-significant name; address
- Name, title, contact information of Officer authorizing this account
- Type of Organization
- State and State License Number
- Permissions
- Other information

3) User Information

Data for each of the account's authorized users include:

- User status
- User name, title, contact information, password recovery questions

4) Identifier and Cross-Walk Table

Data for each identifier assigned to the account include:

- Identifier number
- Identifier Status
- Type of organization being identified

- Name of entity being identified, alpha-significant name
- Proprietary group number if group health plan
- Indicator if identifier is a communications portal
- Identifier of parent to which this identifier is affiliated
- Cross-walk identifiers

5) Transaction Destination Instructions Table

Each identifier may have multiple Transaction Destination Instructions. These instructions contain the data requisite to distinguish different destinations for transaction mode (interactive v batch), transaction type, type of benefit, provider location, special or national contract, provider-payer match on a PPO, and other information to permit single insurance identification card to support multiple benefits.

The Transaction Destination Instructions need only identify the destination such that existing EDI Server software systems are able to link the destination to their connections. The instructions do not include URLs, communications protocols, security algorithms, security keys, and other such information. These parameters already exist in EDI servers and are not necessary in the NPlanID Directory.

7.0 Enumeron, LLC

7.1 Reason for this Section

NCVHS Staff requested that this position paper describe my involvement with Enumeron LLC. So this section describes Enumeron, the history and reasons for creating it, my involvement, its acceptance so far, its current status, the capabilities of Enumeron systems, and the low fees.

7.2 Origins of My Recommendations in this Position Paper

In 1991 X12N asked me to chair a workgroup to standardize health insurance cards, for which a standard plan identifier is requisite. My interest in a plan identifier was to see our card standards implemented. I wanted to solve this industry problem--still my goal.

I worked on the 1992 and 1993 WEDI reports that recommended standards for cards and standard identifiers. In 1993 we began trying to find an organization that would administer a standard plan identifier. CMS (then HCFA) wanted to take this role.

In 1994 CMS appointed me to the PAYERID Advisory Panel, then in 1995 CMS hired me as the outside consultant for PAYERID and to a lesser extent NPI.

The recommendations, database, and system descriptions in this paper are taken from the 1996 HCFA paper, *PAYERID Design Study*, modified by the HCFA decision in 1999 to make both NPI and NPlanID 10-digit numbers under the ISO 7812 standard.

In other words, the recommendations and opinions in the paper result from HCFA analysis and recommendations. These recommendations are already built into Enumeron process and systems because they came from a publicly available paper from HCFA and inferences drawn years ago from presentations and discussions, especially about NPPES.

It's not the other way round. I'm not recommending things because Enumeron implemented them, but Enumeron implemented them because they came from HCFA. In event of change, Enumeron could make system changes in lightening speed.

7.3 The Enumeron Mission

The Enumeron Mission is to issue ISO Standard U.S. Health Plan Identifiers--at lowest cost--for use in Health Identification Cards and Electronic Commerce, and to provide secure access to the All-Payer Directory for each identifier, with the goal that the industry can continue moving forward now and generate the real Savings. Enumeron is a solution until HIPAA National Plan Identifier is fully implemented. Enumeron implements every recommendation in this paper.

7.4 Reasons for Creating Enumeron

In January 1996 CMS applied for and received all ISO U.S. Health Care Issuer Identification Numbers (IIN); that is, those beginning with 80840-0 through 80840-9. CMS used some of the 80840 space for NPI and planned to use some for NPlanID. But the priority of the heavy workload of HIPAA delayed NPlanID for 15 years.

So in July 2006, CMS released 808409 back to the ISO USA Registration Committee expressly so that a private-sector solution could be found. But no non-profit organization would agree to administer the standard plan identifier.

Consequently, we formed a new firm, Enumeron, a Delaware LLC, to provide a lowest cost solution until the HIPAA national plan identifier and directory could be implemented. Enumeron applied for the **80840-9** IIN, and ISO assigned it to Enumeron for these purposes.

7.5 My Involvement with Enumeron

I am the managing member of the LLC and majority owner. I am also the primary investor and system designer. Investment to date is about $490,000 of which $200,000 is estimated allowance for lost consulting fees due to my working for Enumeron. Enumeron will have no revenue until the systems and e-directory are put into production.

7.6 Market Acceptance So Far

Enumeron assigned standard plan identifiers and trading partner identifiers to four of the largest insurers that collectively represent about 160 Million insured members. It made these assignments using a combination of manual and computer methods. In addition, about 25 Million WEDI-Compliant health insurance cards have been issued using standard plan identifiers issued by Enumeron.

7.7 Status of Enumeron Systems as of June 11, 2010

The Enumeron Systems designs are precisely as described in Section 5.0 of this paper. I wrote the functional system specifications, and Empire Medical Review Services is the contractor. The enumeration system (5.2) for assignment of identifiers and maintenance of data, crosswalks, and transaction destination instructions is complete, except for automatic charge card billing, and it is in integration and final testing. The directory extract and access system (5.3 and 5.4) is specified, and programming will take a few weeks, but I am holding it back at the moment. User instructions are being written. Some legal work remaining. This fall is practical production date.

7.8 Peer-Review of Design

Although the Enumeron Systems are designed based on government documents and long experience with the plan identifier initiative, the design would benefit from peer-review because: (a) the final rule for NPlanID may call for certain changes in the design (for example, add additional data elements or add new function), and (b) other perspectives may see opportunities by which the design can be improved.

7.9 Fee Structure

Enumeron uses an annual subscription fee to ensure financial continuity at lowest cost to maintain the directory. Subscription fees are based on the size of the payer. The fees average about 3/10th of a penny per member per year. Three tenths of a cent compares rather favorably against about $1.50 for insurance cards per member per year (500 times), or $5,000 per member per year premium (1.7 million times).

7.10 Enumeron System is Potential Industry Asset

Since the Enumeron system for NPlanID exists, if we can find a way to use it, the implementation schedule for the industry might be advanced a year or more.

About the Author

Peter Barry provides consulting and system development to health care payers, providers, managed care firms, clearinghouses, and technology firms. Peter was outside consultant to CMS and Department of Commerce for National Healthcare Identifiers, member of HCFA PAYERID Advisory Board, is Co-Chair WEDI HIPAA Transactions group, and Co-Chair WEDI and ANSI INCITS Health Card standardization. He received WEDI Merit and Distinguished Service Awards. He served on the ISO USA Registration Committee, which is the authority in the United States for Issuer Identification Numbers (IIN) under ISO Standard 7812. He is a Principal of Enumeron LLC. He has long experience in international banking, bankcards, and payment systems. Formerly, Vice President, Director Application Systems, for Firstar Banks, which is now known as U.S. Bank. He served 20 years on the Owners Group and Board of Directors of Ozaukee Bank ($1.2 Billion) in Wisconsin until we sold it in 2008 to Bank of Montreal.

Attachment A
HIPAA Definition of Health Plan

§160.103 Definitions. ***Health plan*** means an individual or group plan that provides, or pays the cost of, medical care (as defined in section 2791(a)(2) of the PHS Act, 42 U.S.C. 300gg-91(a)(2)). *Health plan* includes, when applied to government funded programs, the components of the government agency administering the program. *Health plan* includes the following, singly or in combination:
(1) A group health plan, as defined in this section.
(2) A health insurance issuer, as defined in this section.
(3) An HMO, as defined in this section.
(4) Part A or Part B of the Medicare program under title XVIII of the Act.
(5) The Medicaid program under title XIX of the Act, 42 U.S.C. 1396 et. seq.
(6) An issuer of a Medicare supplemental policy (as defined in section 1882(g)(1) of the Act, 42 U.S.C. 1395ss(g)(1)).
(7) An issuer of a long-term care policy, excluding a nursing home fixed-indemnity policy.
(8) An employee welfare benefit plan or any other arrangement that is established or maintained for the purpose of offering or providing health benefits to the employees of two or more employers.
(9) The health care program for active military personnel under title 10 of the United States Code.
(10) The veterans health care program under 38 U.S.C. chapter 17.
(11) The Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), as defined in 10 U.S.C. 1072(4).
(12) The Indian Health Service program under the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.).
(13) The Federal Employees Health Benefit Program under 5 U.S.C. 8902 et seq.
(14) An approved State child health plan under title XXI of the Act, providing benefits that meet the requirements of section 2103 of the Act, 42 U.S.C. 1397 et. seq.
(15) The Medicare + Choice program under part C of title XVIII of the Act, 42 U.S.C. 1395w-21 through 1395w-28.
(16) Any other individual or group plan, or combination of individual or group plans, that provides or pays for the cost of medical care (as defined in section 2791(a)(2) of the PHS Act, 42 U.S.C. 300gg-91(a)(2)).

Group health plan (also see definition of *health plan* in this section) means an employee welfare benefit plan (as defined in section 3(1) of the Employee Retirement Income Security Act of 1974 (ERISA)(29 U.S.C. 1002(1)), including insured and self-insured plans, to the extent that the plan provides medical care, as defined in section 2791(a)(2) of the Public Health Service (PHS) Act, 42 U.S.C. 300gg-91(a)(2), including items and services paid for as medical care, to employees or their dependents directly or through insurance, reimbursement, or otherwise, that--
(1) Has 50 or more participants (as defined in section 3(7) of ERISA, 29 U.S.C. 1002(7)); or
(2) Is administered by an entity other than the employer that established and maintains the plan.

Health insurance issuer (as defined in section 2791(b) of the PHS Act, 42 U.S.C. 300gg- 91(b)(2), and used in the definition of *health plan* in this section) means an insurance company, insurance service, or insurance organization (including an HMO) that is licensed to engage in the business of insurance in a State and is subject to State law that regulates insurance. Such term does not include a group health plan.

Health maintenance organization (HMO) (as defined in section 2791 of the PHS Act, 42 U.S.C. 300gg-91(b)(3), and used in the definition of *health plan* in this section) means a Federally qualified HMO, an organization recognized as an HMO under State law, or a similar organization regulated for solvency under State law in the same manner and to the same extent as such an HMO.

Attachment B

B.1 Enumeron Current Number Ranges

Identifier Begins With	Format	Description
Trading Partner and Communications Portals Identifiers:		
90	90nnn-nnnnn	Trading Partner and Communications Portal Identifiers.
PlanID: Health Plan Identifiers:		
910	910-nnnnnnn	*PlanID* reserved block
911	911-nnnnnnn	*PlanID* reserved block
9141-9149	9140-nnnnnn	*PlanID* range for General Pool of plan identifiers.
PlanID with Legacy Identifiers Embedded:		
9140	9140v-nnnnn	*PlanID* where the rightmost 5 digits are N.A.I.C. Company Code
915	915v-nnnnnn	*PlanID* range where the rightmost 6 digits are: 0nnnnn = NCPDP-assigned BIN numbers. nnnnnn = RxBIN numbers assigned by ISO, excluding 0nnnnn.
916	916v-nnnnnn	nnnnnn = IIN numbers assigned by ISO.
Unallocated Reserve. Present reserves are over 80 Million Identifiers		
917-919	na	Unused Reserve, 3 Million unused Identifiers
92-99	na	Unused Reserve, 80 Million unused Identifiers

B.2 Tentative Enumeron Annual Subscription Fee Schedule

Health Plan and Administrator Annual Subscription Fees Depending on Enrollment[8]						
Member Enrollment:	**20 million or more**	**10 but < 20 million**	**5 but <10 million**	**1 but < 5 million**	**500,000 but < 1 million**	**< 500,000**
Fees for Identifiers:						
Account with first identifier	Negotiated	$1,500	$1,250	$1,000	$750	$500
2nd 3rd 4th & 5th identifiers	Included	Included	Included	Included	Included	Included
6 to 10 identifiers, each	Included	$100	$100	$100	$75	$50
11 to 100 identifiers, each	Included	$50	$50	$50	$25	$25
101 to 1,000 identifiers, each	Included	$5	$5	$5	$5	$5
1,001 to 2,000 identifiers , each	Included	$0.50	$0.50	$0.50	$0.50	$0.50
2,001 identifiers or more, each	Included	$0.25	$0.25	$0.25	$0.25	$0.25
Reserve Block of Identifiers, such as for branding purposes	Included	Negotiated	Negotiated	Negotiated	Negotiated	Negotiated
Fees for Data Access:						
Own-Use Inquiry via DDE	Included	Included	Included	Included	Included	Included
Own-Use Replicated Directory, per site	Included	$1,250	$1,000	$1,000	$750	$750
Own Use inquiry computer-to-computer (volume dependent)	Included	tbd	tbd	tbd	tbd	tbd
General service use Replicated Directory, per site (fee is volume dependent)	tbd	tbd	tbd	tbd	tbd	tbd

[8] Approximate average cost for identifiers is about 3/10th of a penny per member per year.

Attachment C: Application for a New Identifier

enumerøn
identifiers,e-directory

Application for a New Identifier

Log-Out Back

Description of Organization or other entity to Be Identified: (1st Alpha Name & Primary Name are Required)

Alpha Significant Name (d/b/a) | Organization Type ↓

2nd Alpha Significant Name (d/b/a)

Legal Name of Organization | Identifier Type ↓

Proprietary Group Number if Group Health Plan

Will this Identifier by used as the Card Issuer Number on a Health ID Card? O Yes O No

Is this Identifier the Communications Portal? O Yes O No ("Yes" = no transaction destination records are needed.)

If this Identifier has Parent, Enter Parent Identifier Here: [Search / Select Data Entry] ↓

Cross-Walk Identifiers (important when applicable): [This layout is illustrative; the system allows for 20 cross-walks]

N.A.I.C. Company Code

Federal Employer ID (EIN)

RxBIN Number (nnnnnn)

NCPDP-Assigned BIN Number (0nnnnn)

ISO Issuer Identifier Number (IIN)

CMS Medicare Contractor No

We Apply for a New Identifier as Follows: (click on one) Please refer to instructions.

New identifier from the general pool of available numbers:

Select Request random identifier from the general pool of available numbers

Select Request Entire Specific Identifier or ID with the following rightmost digits:

New Identifier with another previously assigned ID embedded in it:

Select Request new identifier where last 5 digits are our N.A.I.C. Company Code (i.e. 9140v-nnnnn)

Select Request new identifier where last 6 digits are our RxBIN number (i.e. 915v-nnnnnn)

Select Request new identifier where last 6 digits are our NCPDP-Assigned BIN number (i.e. 915v-0nnnnn)

Select Request new identifier where last 6 digits are our ISO Issuer ID Number (IIN) (i.e. 916v-nnnnnn)

New identifier from our reserved block of numbers. The Block Symbol is: [Output]

Select Request random identifier from our reserved block

Select Request from Reserve a Specific ID or one with the following rightmost digits:

Attachment D: Add or Update a Transaction Destination Instruction

enumerøn
identifiers, e-directory

Transaction Destination Instruction

Log-Out Back

Information about the Identifier to which this Transaction Destination Record Belongs:

For Identifier: [Registry & Identifier Output Only] [Identifier Name = I-Alpha-Name Output Only]

Identifier Status: [Output Only]

Information about this Transaction Destination Record:

Description of this Directory Record:

Last Updated: [Output Only] *By:* [Output Only] *Status:* [Output Only]

Applicability of this Transaction Destination Record:

To Update this Record, First Enter a New Effective Date (or a Termination Date) [See notes below]

Effective Date *Termination Date:* *Pending Termination:*

Interactive or Batch? *Applies to the Following Transaction Types (Select 0 to 4 Transaction Types):*

[Interactive/Batch]

Applies to the Following Health Services (Select 0 to 4 Services):

Applies to the Following Provider's State (Select 0 to 5 States):

Applies to Special Contract: [Output Only] *Special or National Provider Contract*

Applies to PPO: [Search / Select Data Entry]
[Output Only]

If This Record Applies, Go To: [Search / Select Data Entry]
[Output Only]

Overlaying with the Following Information for Transaction Recipient as Necessary:

Group Number *RxBIN:* *RxPCN:*

Address Line 1: *Line 2*

City: *State:* *Postal Mail Zip:* *Express Mail Zip if different:*

Telephone: *Ext:* *Fax:*

Email:

Submit