American Hospital Association

800 10th Street, NW
Two CityCenter, Suite 400
Washington, DC 20001-4956
(202) 638-1100 Phone
www.aha.org

National Committee on Vital and Health Statistics (NCVHS)
Subcommittee on Standards

Hearing on Health Plan Identifier
May 3, 2017

Testimony from the American Hospital Association
Submitted by George Arges
Senior Director, Health Data Management Group

Dear Subcommittee Members:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our clinician partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) appreciates the opportunity to comment on the regulatory requirement for a Unique Health Plan Identifier (HPID) and Other Entity Identifier (OEID). We appreciate the invitation to testify before the National Committee on Vital and Health Statistics' (NCVHS) Subcommittee on Standards. Because of the limited time available for all presenters and the general agreement among provider associations on the matter of HPID, the provider associations collectively agreed to have a single oral presentation. The AHA, however, is presenting our written comments about the HPID.

In comments on the proposed rule, the AHA supported the creation of the HPID, as well as the need for guidance for health plan enumeration. Since then, we have heard growing concerns that requiring the use of the HPID/OEID as part of claims transactions would create significant administrative burden without any corresponding benefit.

The Health Insurance Portability and Accountability Act (HIPAA) originally called for the creation and adoption of national identifiers for providers, health plans, and individuals (provider identifiers implemented in 2004; Congress blocked implementation of the individual identifier). The HPID/OEID, was issued as a proposed rule in September 2012 and finalized in November 2014, with an effective date of November 7, 2016. Given the significant amount of time that has elapsed since the final rule, and because the health care community continues to use existing

identifiers to ensure correct routing of claims data, the adoption of a new national HPID is unnecessary.

Although the goal of the HPID/OEID was to standardize identification of health plans to support improvements in the routing of electronic information for HIPAA transaction standards, introducing the HPID now would create confusion for providers, cause disruptions to existing information processing systems, and add costs without adding any efficiency or benefit.

The final rule indicated that users must use an HPID within HIPAA transaction standards starting in 2016. **The AHA recommends that the Department of Health and Human Services (HHS) revise the final rule to prohibit use of the HPID/OEID within a HIPAA transaction and allow providers and health plans to continue to use existing payer identifiers to ensure proper plan identification without having to rely on another number such as the HPID. Moving forward with the HPID creates significant administrative burden for providers without any corresponding benefit.**

The final rule also indicated that the Centers for Medicare & Medicaid Services (CMS) could choose alternate uses of the HPID, such as to implement certification programs for health plan compliance to the standards, or, for adherence to operating rules for HIPAA transactions. For example, it could use the HPID to determine if a health plan or other organization is a covered entity under HIPAA or whether it is certified to participate as a Qualified Health Plan in the federally facilitated marketplaces. Health plan certification is important because it would help identify which health plans comply with the transaction standards, as well as identify health plans that are compliant with the operating rules in the future. **We urge NCVHS to clarify whether CMS intends to require HPID for compliance or certification purposes.**

The intent of the HIPAA legislation was to reduce administrative costs and make the process more efficient; the adoption of the HPID within the HIPAA transaction standards does neither. Again, **the AHA recommends that HHS remove the required use of the HPID/OEID in HIPAA transactions and allow the use of existing mechanisms to identify health plans.**

Thank you for the opportunity to comment on this important topic. If you have any questions, please feel free to contact me at garges@aha.org or (312) 422-3398.