

1
2 June xx, 2017

3 The Honorable Thomas E. Price, M.D.
4 Secretary, Department of Health and Human Services
5 200 Independence Avenue, S.W. Washington, D.C. 20201

6
7 Re: Findings and Recommendations from the May 3, 2017 NCVHS Standards Subcommittee
8 Hearing on the Health Plan Identifier

9 Dear Secretary Price:

10 This letter conveys a set of recommendations from the National Committee on Vital and Health
11 Statistics (NCVHS) regarding the Health Plan Identifier (HPID).

12 NCVHS is your advisory committee on health data, statistics, privacy, and national health
13 information policy. NCVHS advises the Secretary on the adoption of standards, unique
14 identifiers and code sets under the Health Insurance Portability and Accountability Act of 1996
15 (HIPAA), as well as the Patient Protection and Affordable Care Act (ACA) of 2010, which calls
16 for NCVHS to assist in the achievement of administrative simplification to “reduce the clerical
17 burden on patients, health care providers, and health plans.”

18 Each year, NCVHS holds industry hearings on standards, code sets, identifiers and operating
19 rules adopted under HIPAA and ACA to evaluate the need for updates and improvements. This
20 letter represents the findings from our May 3, 2017 hearing.

21 Health Plan Identifier (HPID)

22 A unique health plan identifier was originally called for under HIPAA. ACA subsequently
23 required the Secretary to adopt the unique health plan identifier based on input from NCVHS.

24 Beginning in 2010, NCVHS held several hearings on this topic in order to solicit industry
25 feedback. Based on our findings, NCVHS issued letters to the Secretary outlining our
26 observations and recommendations for revision or improvement¹.

27 On September 5, 2012, HHS published a final rule on the unique health plan identifier (HPID).
28 The HPID final rule had two independent and separate categories of requirements: 1)
29 enumeration and 2) use of the HPID in HIPAA transactions. The final rule also adopted an Other
30 Entity Identifier (OEID). The OEID was intended to function as a voluntary identifier for entities
31 that were not health plans, health care providers, or individuals, but would need to be identified
32 in HIPAA standard transactions.

33 In 2014, NCVHS began to hear a growing concern from health care stakeholders about the HPID
34 policy. In February 2014 and June 2014, NCVHS held public hearings to evaluate these ongoing
35 concerns. As noted in the September 23, 2014 recommendation letter to the Secretary,
36 stakeholders reported they would obtain no benefit or value by using HPIDs in health care

¹ NCVHS letters dated September 30, 2010, May 15, 2014 and September 23, 2014 are attached.

37 transactions. Specifically, the transaction routing problem that HIPAA sought to resolve had
38 subsequently been resolved by private industry's voluntary adoption of a standardized payer
39 identifier ("PayerID") as described in that letter.

40 The industry has moved to the implementation of a standardized national payer identifier based
41 on the National Association of Insurance Commissioners (NAIC) identifier.

42 Testifiers concurred that the HPID should not be required for use in transactions and that it
43 should not replace the payer ID. As a result, on October 31, 2014, HHS announced a delay, until
44 further notice, in the enforcement of the regulation pertaining to health plan enumeration and use
45 of the HPID in HIPAA transactions adopted in the HPID final rule.

46 The most recent testimony provided at the May 3, 2017 NCVHS Standards Subcommittee
47 hearing was consistent with prior input, and the findings that were provided in our September 23,
48 2014 NCVHS letter to your predecessor. The feedback overwhelmingly affirmed that there is no
49 longer an industry need for the HPID in the HIPAA standard transaction sets.

50 Testifiers were unanimous that the Payer ID, which is currently used as the identifier within
51 standard electronic transactions, is sufficient for the routing needs for those transactions.
52 Testifiers concurred again that the transaction routing challenges of two decades ago have been
53 resolved by the industry and that implementation of the HPID would be disruptive, costly, and
54 counterproductive to administrative simplification. Testifiers were strong in their belief that the
55 HPID provides no value as a health plan identifier within standard transactions since routing is
56 performed at the payer level. Testifiers further explained that health care standard transactions
57 are predicated on business flows that relate to payers and administrative entities as well as health
58 plans².

59 Potential Other Uses for the Health Plan Identifier

60 The primary objective in the HHS 2012 Final Rule for adopting a health plan identifier was to
61 create a standardized data element for use within the HIPAA standard transactions. However,
62 HHS also referenced potential secondary uses, i.e., other lawful uses such as for the
63 identification of health plans in the federal and state insurance exchanges and for the health plan
64 certification requirement established in the Patient Protection and Affordable Care Act.

65 As industry needs or policy objectives become clearer, NCVHS may consider non-transaction
66 applications of a health plan identifier for consideration in its future work plans.

67 After due deliberation, NCVHS recommends the following:

68 **Recommendation 1:** HHS should rescind its September 5, 2012 HPID Final Rule which
69 required health plans to obtain and use the HPID.

² On July 21, 2014, the Workgroup for Electronic Data Interchange (WEDI) Strategic National Implementation Process (SNIP) HPID Workgroup, published an issue brief to aid the industry in understanding the difference between the terms "health plan" and "payer" is attached.

70 **Recommendation 2:** HHS should clearly communicate its intent to rescind the HPID Final Rule
71 to all affected industry stakeholders. HHS should provide the applicable guidance on the effect a
72 rescission may have on all parties involved.

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

75 Thank you for considering the recommendations outlined in this letter. NCVHS remains
76 available to answer questions and will continue to support HHS efforts to advance efficiencies in
77 the health care system, and to working with the Department to shape future guidance.

78

79 Sincerely,

80

81

82 William Stead, MD, Chair
83 National Committee on Vital and Health Statistics

84

85

86

87 Attachments (4)

88 NCVHS Letter to the Secretary September 30, 2010

89 NCVHS Letter to the Secretary May 15, 2014

90 NCVHS Letter to the Secretary September 23, 2014

91 WEDI SNIP HPID Workgroup Issue Brief