



New ACA Mandate: HIPAA Health Plan Certification Proposed Rules

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February 21, 2014

HIPAA Transaction Rules

Background

- Issued in 2000 and updated since that time
- Apply to HIPAA covered entities – health plans, health care providers & clearinghouses
- If a covered entity conducts certain transactions with another covered entity using electronic media, must use standards and code sets designated by Secretary of HHS
- If any entity requests health plan to use standard transaction, must do so
- For many health plans, business associates handle standard transactions for them

HIPAA Transactions

What Are They?

- Claims & Encounter – Request from provider to plan to obtain payment or information
- Eligibility – Transmission from provider to plan, or plan to plan – and response – related to eligibility, coverage or benefits under plan
- Authorization & Referrals – Request for authorization for health care or to refer to another provider – and response
- Claim Status – Inquiry about status
- Enrollment & Disenrollment – Transfer of subscriber information to plan to establish or terminate coverage

HIPAA Transactions

What Are They?

- Premium Payment – Information about payment, fund transfer, remittance or payment processing from entity arranging provision of care
- Coordination of Benefits – Transfer of claims or payment information to plan to determine relative payment responsibility
- Electronic Funds Transfer (EFT) – Transmission of any of following from health plan to provider: payment, information about transfer of funds and payment-processing information
- Remittance Advice - Transmission of any of following from health plan to provider: explanation of benefits or remittance advice

HIPAA Transaction Rules

Practical Issues

- Only applies to data transmission between two covered entities.
 - N/A if plan sends data to individual participant (not two covered entities)
 - N/A if plan sends data to business associate (not two covered entities)
 - But if Plan A send data to business associate of Plan B, could be two covered entities (since business associate may be acting on behalf of covered entity Plan B)
- Only applies to listed transactions
 - N/A if provider sends data file to health plan for reason other than listed transaction (even if two covered entities)

HIPAA Transaction Rules

New ACA Mandates

ACA requires Secretary of HHS to adopt . . .

- Operating rules that fill in gaps in transactions
- New EFT/Remittance Advice transaction (effective 1/1/14)
- Health Plan Identifier (HPID) rules (effective 11/5/14)
- Requirement to certify compliance with standard transaction rules –
 - First Certification: Eligibility, Claims Status & EFT/Remittance Advice
 - Second Certification: Claims & Encounter, Enrollment/Disenrollment, Premium Payments, Claims Attachments and Authorization/Referrals

First Certification

Proposed Rules

- HHS issued 1/2/14
- Covered entity health plan must obtain certification from outside party showing compliance with Eligibility, Claims Status and EFT/Remittance Advice transactions
- Certification involves application and testing
- For plans that use business associates, may need to have business associate perform testing
- Plan must file attestation of certification with HHS

First Certification *Due Date*

	First Certification Due
For existing health plans with HPID by 11/5/14 (required date to register for HPID)	12/31/15
For small health plans required to register for HPID by 11/5/15*	12/31/16
For new health plans	One year after HPID registration date

*Small health plan is plan with annual receipt of \$5 million or less

First Certification

Who Files?

- Covered entity health plans
- Controlling Health Plan must file on behalf of any Subhealth Plans
 - Appears that insurer files for fully insured group health plan
 - Self-funded plan will need to coordinate with business associates to obtain certification

First Certification

How to Obtain

- Health plans may obtain either:
 - HIPAA Credential or
 - Phase III CORE Seal
- Both are administered by the Council for Affordable Quality Healthcare Committee on Operating Rules for Information Exchange (CAQH CORE)
- HIPAA Credential is a new concept / Phase III Core Seal is an existing certification
- Both require testing of transactions, application process and attestation from senior-level executive

First Certification

Types of Certifications

HIPAA Credential

- For required transactions, Controlling Health Plan must certify successful testing with at least 3 trading partners that collectively conduct at least 30% of transactions
- Self-reporting (versus testing with third party)
- If business associate conducts transaction, would look to business associate to perform testing

Phase III Core Seal

- For required transactions, Controlling Health Plan must externally test with CORE-authorized testing vendor
- If business associate conducts transaction, business associate must obtain CORE certification, too

First Certification *Attestation*

- Due 12/31/15
- Health plan must provide:
 - Documentation that demonstrates certification with either HIPAA Credential or Phase III Core Seal
 - Information on number of covered lives of Controlling Health Plan on “snap shot” date of filing
- Filing likely to be electronic (details to be announced)



First Certification

How to Measure Covered Lives

- “Covered lives” mean individuals enrolled in “major medical policies” of Controlling Health Plan
- Includes subscriber and dependents
- “Major medical policies” defined as insurance policy that covers accident and sickness and provides outpatient, hospital, medical and surgical expense coverage
- Does this mean self-funded plans have no covered lives?

First Certification *Penalties*

- Failure to certify: \$1 per covered life per day until certify (up to maximum of \$20)
- Knowingly providing inaccurate or incomplete information: \$40 per covered life
- HHS to compare HPID registration to certification filing to find which plans did not file

First Certification *To Do Items*

- Register for HPID by 11/5/14
- Inventory business associates to determine which conduct transactions for plan and if already certified
- Review BAA – consider adding requirement to conduct standard transactions and cooperate with certification/filing
- Reach out to business associate to give head's up on certification/testing so can hit the ground running when final rules issued



First Certification *To Do Items*

- Determine which certification to seek and work with business associate to obtain
- Calculate covered lives for snap shot date
- File attestation with HHS by 12/31/15

Questions?

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