Administrative Simplification

ADMINISTRATIVE SIMPLIFICATION

HIPAA Administrative Simplification Regulations Overview

This document summarizes the mandates and prohibitions for HIPAA Covered Entities set forth in 45 Code of Federal Regulations (CFR) Subchapter C Part 162 related to administrative transactions, code sets, unique identifiers and operating rules.

Category	Regulatory Citation	Requirement Summary
General Provisions for all Covered Entities	45 CFR § 162.923(a)	**General Rule:** When a covered entity conducts a transaction for which a standard has been adopted with another covered entity (or within the same covered entity) using electronic media, the covered entity must conduct the transaction as a standard transaction. HHS has adopted standards for Health Care Claims or Equivalent Encounter Information (45 CFR § 162.1101-1102), Eligibility for a Health Plan (45 CFR § 162.1201-1203), Referral Certification and Authorization (45 CFR § 162.1301-1302), Health Care Claim Status (45 CFR §162.1401-1403), Enrollment or Disenrollment in a Health Plan (45 CFR § 162.1501-1502), Health Care Electronic Funds Transfer and Remittance Advice (45 CFR § 162.1601-1603), Health Plan Premium Payments, Coordination of Benefits (45 CFR § 162.1701-1702), and Medicaid Pharmacy Subrogation Transactions (45 CFR §162.1901-1902). Any time a covered entity is transmitting information that meets the definition provided in the regulations for one of the transactions listed above to another covered entity after the effective compliance dates of the standard for both entities have passed, the entity must conduct the transaction as a standard transaction. **Conducting a transaction as a "standard transaction" includes compliance with the standard as well as affiliated operating rules, code sets, and unique identifiers for the particular transaction.**
	45 CFR § 162.923(c)	**Use of a Business Associate:** If a covered entity uses a business associate, as defined in 45 CFR § 160.103, to conduct all or a portion of a transaction for which a standard has been adopted, the covered entity must require their business associate and any of the business associate's agents or subcontractors to comply with all applicable requirements. Engaging a business associate does not relieve a covered entity from its responsibility to comply with all applicable requirements. When providing services related to a transaction for which a standard has been adopted, a business associate is acting on behalf of a covered entity, and the business associate's actions or inactions are imputed to the covered entity.

May 2022

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General Provisions for all Covered Entities (cont.)	45 CFR § 162.915	**Trading Partner Agreements:** A covered entity can't enter into a trading partner agreement that would: (a) change the definition, data condition, or use of a data element or segment in an adopted standard or operating rule; (b) add any data elements or segments to the maximum defined data set; (c) use any code or data elements marked "not used" or that are not in a standard; or (d) change the meaning or intent of a standard. Covered entities may not agree to conduct transactions with each other that violate the adopted standards. The requirement to conduct transactions as standard transactions as described in 45 CFR § 162.923(a) overrides any agreements to conduct transactions otherwise. A trading partner agreement is defined at 42 CFR § 160.103 and means an agreement related to the exchange of information in electronic transactions, whether the agreement is distinct or part of a larger agreement, between each party to the agreement (for example, a trading partner agreement may specify, among other things, the duties and responsibilities of each party to the agreement in conducting a standard transaction).
General Provisions for Health Care Providers	45 CFR § 162.923(b)	**Exception for Direct Data Entry (DDE) Transactions:** If a health care provider chooses to use a DDE platform, such as a provider portal, offered by a health plan to conduct a transaction for which a standard has been adopted, the provider must use the applicable data content and data condition requirements of the standard, but the standard format requirements are not required.
General Provisions for Health Plans	45 CFR § 162.925(a)(1)	A health plan must conduct a transaction using an adopted standard if requested. This means that if a health plan is conducting a transaction for which a standard has been adopted using a paper-based or manual method, a DDE portal, or an electronic funds transfer outside of the ACH network, when requested to do so, the health plan must conduct the transaction using the adopted standards. The regulations do not provide any exceptions to this requirement. This means that a health plan must comply with a provider's request to conduct a transaction as a standard transaction regardless of the provider's affiliation, or lack thereof, with the plan.
	45 CFR § 162.925(a)(2)	A health plan can't delay or reject a transaction or try to adversely affect the other entity or the transaction because the transaction is a standard transaction. This includes a prohibition on providing incentives that discourage (i.e., adversely affect) the use of standard transactions.
	45 CFR § 162.925(a)(3)	A health plan can't reject a standard transaction just because the health plan doesn't use or need some or all of the data elements, such as coordination of benefits data elements.
	45 CFR § 162.925(a)(4)	A health plan can't offer an incentive for a health care provider to conduct a transaction using a DDE exception provided for in 45 CFR § 162.923(b).

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General Provisions for Health Plans (cont.)	45 CFR § 162.925(a)(5)	A health plan that operates as a health care clearinghouse, or requires an entity to use a health care clearinghouse to complete standard transactions with the plan, may not charge fees or costs in excess of the fees or costs for normal telecommunications that the entity incurs when it directly transmits, or receives, a standard transaction to, or from, a health plan.
	45 CFR § 162.925(b)	**Coordination of Benefits:** If a health plan receives a standard transaction and coordinates benefits with another health plan (or another payer), the health plan must store the coordination of benefits data it needs to forward the standard transaction to the other health plan (or other payer). Meaning that even if the initial receiving health plan does not need the coordination of benefits information, it is required to process the transaction and store the unneeded information for transmission to the subsequent health plan or payer.
	45 CFR § 162.925(c)	**Code Sets:** A health plan must accept and process any standard transaction that contains valid codes, and it must keep code sets for the current billing and appeals periods open to processing under the terms of the health plan's coverage.
Standard Unique Health Identifier for Health Care Providers	45 CFR § 162.410(a)(1)	A covered health care provider must get a National Provider Identifier (NPI) from the National Provider System (NPS), known as National Plan and Provider Enumeration System (NPPES), for themselves or for any subpart of the covered entity that would be a covered health care provider if it were a separate legal entity. A covered health care provider is a health care provider that transmits any health information in electronic form in connection with a transaction for which a standard has been adopted.
	45 CFR § 162.410(a)(2)	A covered health care provider must use an NPI on all standard transactions that require its health care provider identifier.
	45 CFR § 162.410(a)(3)	A covered health care provider must give its NPI, when requested, to any entity that needs the NPI to identify the health care provider in a standard transaction.
	45 CFR § 162.410(a)(4)	A covered health care provider must communicate any changes in its required data elements to the NPS within 30 days of the change. Required data elements are specified in the National Provider System (NPS), known as National Plan and Provider Enumeration System (NPPES).
	45 CFR § 162.410(a)(5)	A covered health care provider must require its business associates to use the provider's NPI and other NPIs as required by adopted transaction standards.
	45 CFR § 162.410(a)(6)	A covered health care provider must comply with all requirements related to NPI for all subparts that have been assigned an NPI.

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Standard Unique Health Identifier for Health Care Providers (cont.)	45 CFR § 162.410(b)	An organization covered health care provider, such as a corporation, partnership, or other type of business separate from an individual, must require all individual prescribers it works with to get an NPI and to share the NPI (upon request) with any entity that needs the NPI for use in a standard transaction.
	45 CFR § 162.412(a)	A health plan must use an NPI to identify any health care provider (or subpart(s)) that has an NPI in all standard transactions that require the provider's identifier.
	45 CFR § 162.412(b)	A health plan can't require a health care provider to get an additional NPI if it already has an NPI. This includes a prohibition on requiring a second NPI to be used exclusively for one health plan or to be used on transactions for a unique program within the health plan.
	45 CFR § 162.414	A clearinghouse must use an NPI to identify any health care provider (or subpart(s)) that has an NPI in all standard transactions that require the provider's identifier.
Standards for Unique Employee Identifier	45 CFR § 162.610(b)	A covered entity must use the standard unique employer identifier (EIN) of the appropriate employer in standard transactions that require an employer identifier.
Code Sets	45 CFR § 162.1000(a)	When using a standard transaction, a covered entity must use the medical data code sets described in 45 CFR § 162.1002 that are valid at the time care is provided.
	45 CFR § 162.1000(b)	A covered entity must use the nonmedical data code sets that are valid at the time the transaction is initiated. Nonmedical data code sets are used to capture things like organizational routing information, claim payment adjustment information, claim status information, and ZIP code information.