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### Highlights

- ◆ EIN Background Information
- ◆ The Standard
- ◆ General Use of Standard
- ◆ MHS Use of Standard
- ◆ Standard Transactions
- ◆ Moving Forward: EIN in Ver. 5010

# HIPAA - Identifiers

## STANDARD UNIQUE EMPLOYER IDENTIFICATION NUMBER (EIN)

### *BACKGROUND INFORMATION*

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) required the establishment of a standard national employer identifier to be used in certain electronic transactions. The Final Rule was published in the Federal Register on May 31, 2002 and became effective July 30, 2002.

### *THE STANDARD*

For HIPAA purposes, employers are defined as the sponsors of health insurance for their employees. The standard selected to identify employers in HIPAA transactions is the Employer Identification Number (EIN) as issued by the Internal Revenue Service (IRS). This number is the EIN that appears on an employee's IRS Form W-2, Wage and Tax Statement and is the number that is used to identify that employer in the standard electronic health care transactions. EINs are not considered private and may be freely exchanged by employers and others.

### *GENERAL USE OF THE STANDARD*

Covered health care providers, health plans and health care clearinghouses must accept and transmit the EIN where required in electronic transactions. Employers that are not health plans, health care clearinghouses, or health care providers are not bound by the Act, and their use of an EIN in electronic transactions is voluntary. Some of the standard transactions originate with the employer, and these are the ones that most often use the EIN.

### *STANDARD TRANSACTIONS*

The employer identification number may be required in certain situations in some of the standard transactions. They are:

ASC X12N 270/271, Ver. 4010A1, Health care eligibility benefit inquiry and response  
ASC X12N 276/277, Ver. 4010A1, Health care claims status request and response  
ASC X12N 820, Ver. 4010A1, Health care premium payment (payroll deductions, etc.)  
ASC X12N 834, Ver. 4010A1, Health care benefit enrollment (and disenrollment)

The EIN of the employer is optional in the National Council for Prescription Drugs Program (NCPDP) version 5.1 retail pharmacy transactions.

An EIN is **not** used to identify an entity as an employer in the following X12N standard transactions:

ASC X12N 278, Ver. 4010A1, Referral Certification and Authorization  
ASC X12N 835, Ver. 4010A1, Health Care Payment and Remittance Advice  
ASC X12N 837, Ver. 4010A1, Health Care Claims or Equivalent Encounter Information (Dental, Professional, Institutional)





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Use of the EIN in the four required electronic transactions is described in the Implementation Guides for the transactions. The Implementation Guides published for each of the transactions and for the NCPDP transaction standards are the guides to be used in determining whether the situation for use is met.

### **The following are some current uses of the EIN in these transactions:**

The EIN is used to identify an employer when the employer is the source of eligibility information about health plan coverage. An employer may be identified as an information receiver, if the employer were to use the ANSI ASC X12N 270/271 to inquire about current eligibility information from a health plan that maintains such information, and if the employer were authorized to receive such information. Such use might be indicated if the employer maintains enrollment records.

Generally, the EIN is used in transactions originating from the employer. In most cases, a health plan will not have to use an employer identifier that it has not received in an electronic transaction from an employer.

In the Health Care Premium Payment transaction (ANSI ASC X12N 820), the EIN is used to identify an employer, when the employer is the remitter of the premium. This would be a fairly common situation, since in most cases, the entity paying a premium for group health coverage is an employer.

The EIN is used in the health benefit enrollment transaction (ANSI ASC X12N 834) to identify the organization sponsoring an insurance plan when that entity is an employer. It is used to identify the employer in transactions to enroll or disenroll their employees in a health plan.

The employer may need to be identified in the health care claim status request and response transaction (ASC X12N 276/277) when the employer is the subscriber for a patient when the claim is a result of a work-related injury or illness in workers' compensation claims.

### ***MHS USE OF THE STANDARD***

The MHS does not use the EIN as the Information Source in either the ASC X12N 270, ASC X12N 271 or ASC X12N 834 transactions. The general concept in X12, which predominates all types of transactions, is that there is an Information Source and an Information Receiver. The Information Source is considered to be the entity that has the answers to the questions being asked. The source is typically the payer, insurer, or an entity maintaining records. The entity regarded as the Information Receiver is described as the one asking the questions. For MHS use of these transactions, DEERS is considered to be the Information Source.

### ***MOVING FORWARD: Version 5010***

On January 1, 2012, the HIPAA transactions Versions 4010A1 and the NCPDP version 5.1 retail pharmacy transactions will be replaced with the updated Versions 5010 and D.0 respectively. In the updated Versions, the use of the EIN will continue to be required in certain situations of the X12N standard transactions, however, the usage descriptions have been clarified in some of the transactions. In addition, the EINs will be used to identify billing and payment information in the X12N 837, Health Care Claims or Equivalent Encounter Information (Dental, Professional, and Institutional) and workers' compensation claims information in the NCPDP Version D.0.