

HIPAA Anyone?

Introduction:

If you are confused about HIPAA, you are not alone. A number of questions exists everyone's mind. How does it impact me? Will it go away? Do I have to comply with it? Will somebody file a lawsuit to delay the applicability of the law? How much will it cost me? Will buying some software solve my problem?

This article hopes to answer these questions. But first, why should we worry about HIPAA? The simple answer is that it will affect us where many of us care the most – money:

- The Act prohibits Department of Health and Human Services (HHS) from paying Medicare claims that are not submitted electronically after October 16, 2003.
- There may be additional costs/ surcharges for using paper forms.
- Plus, there are penalties for non-compliance.

In addition, there are expected benefits for the entire healthcare system.

The other reason one should be thinking about HIPAA is that: Is this an opportunity to adopt best practices and improving business processes and IT systems? Is this an opportunity to make my organization web-business savvy?

However, one looks at it – one needs to be concerned about HIPAA.

So, what is HIPAA?

HIPAA or the Health Information Portability and Accountability Act was enacted in 1996. There are 5 major Titles in HIPAA. Title I relates to Insurance Reforms provisions. Title II relates to Administrative Simplification. Other Titles relate to Tax deductions provisions, medical savings account, group health plan provisions, revenue offset provisions, etc. Our focus is the Administrative Simplification Compliance Act (ASCA). Administrative Simplification is intended to reduce the costs and administrative burdens of health care by making possible the standardized, electronic transmission of many administrative and financial transactions that are currently carried out manually on paper.

What does ASCA deal with and how does it impact me?

Administrative Simplification deals with 4 key aspects:

- Electronic Health Transaction Standards: Standardization of electronic patient health, administrative and financial data. Transaction and Code Sets have been published.
- Unique identifiers: Unique health identifiers for individuals, employers, health plans and health care providers
- Security and
- Privacy: Security standards protecting the confidentiality and integrity of "individually identifiable health information," past, present or future

Well, this Act impacts practically everyone, including:

- Providers (including 1 or solo-physician offices)
- Health plans
- Employers
- Applications vendors

- Public health authorities
- Life insurers
- Clearing houses
- Billing Agencies / Third Party Administrators

There are deadlines that you need to comply with. The deadline for HIPAA Transaction & Code Sets compliance is October 16, 2002, unless you file for an extension (by October 15, 2002), which allows you an additional one-year time for meeting compliance. You need to submit a Compliance Plan along with the extension you file. This extension will give you more time to build, test, and successfully implement the new Final Electronic Transactions and Code Sets required by HIPAA.

There are Civil and Criminal Penalties for non-compliance

- \$25,000 for violations of same standard in a calendar year
- \$250,000 and/or 10 years imprisonment for deliberate misuse of confidential information

The upshot of the above is that there will be a deep and very broad impact on the way your organization works.

What should I do?

Be proactive in terms of HIPAA compliance. First, develop a compliance plan. The plan should cover the following:

- Plan
 - Understand HIPAA and create HIPAA awareness
 - Mobilize team
 - Develop HIPAA Strategy
- Analyze
 - Compile inventory of policies and applications
 - Conduct business impact assessment
 - Conduct IS/Technical impact assessment
- Design, Develop and implement
 - Design and develop solutions
 - Application and transaction testing
- Support
 - Training, documentation and monitoring
 - Certification (optional)

Secondly, file for an extension and thirdly, start working/ implementing on HIPAA compliance.