



**Connecting  
Healthcare**<sup>®</sup>  
*Engaging Patients*<sup>™</sup>

**HIPAA**Success - Physician Education Series

**Impact of HIPAA**

# Your Faculty:

## Walt Culbertson

- President and Founder, Connecting Healthcare®
- Host and Producer, Medical Update Show
- Served as Technical and Operations Lead, HIE Project Manager Florida Health Information Exchange
- Served as the State of Florida - Technical SME for the ONC State Health Policy Consortium, Southeast Regional HIT-HIE Collaboration (SERCH)
- Founding Executive Director ePrescribe Florida and President, ePrescribe America
- Founding Chair of the Southern Healthcare Administrative Regional Process (SHARP), a regional collaborative workgroup alliance of private and public health care organizations and HHS, HRSA and CMS
- Founding Co-Chair of the CMS Sponsored Southern Insurance Commissioner Task Force, a regional collaborative workgroup alliance for State-level HIPAA Education
- Founding Security and Privacy Co-Chair for the Workgroup for Electronic Data Interchange (WEDi) Strategic National Implementation Process (SNIP)



## Many Factors Influence HIPAA Effort

- Complexity of the organization and number of business units or decentralized operations
- The nature of your systems environment
  - Custom-developed versus vendor package software
  - Data architecture
  - Current EDI capabilities
- The degree of connectivity and e-business activity

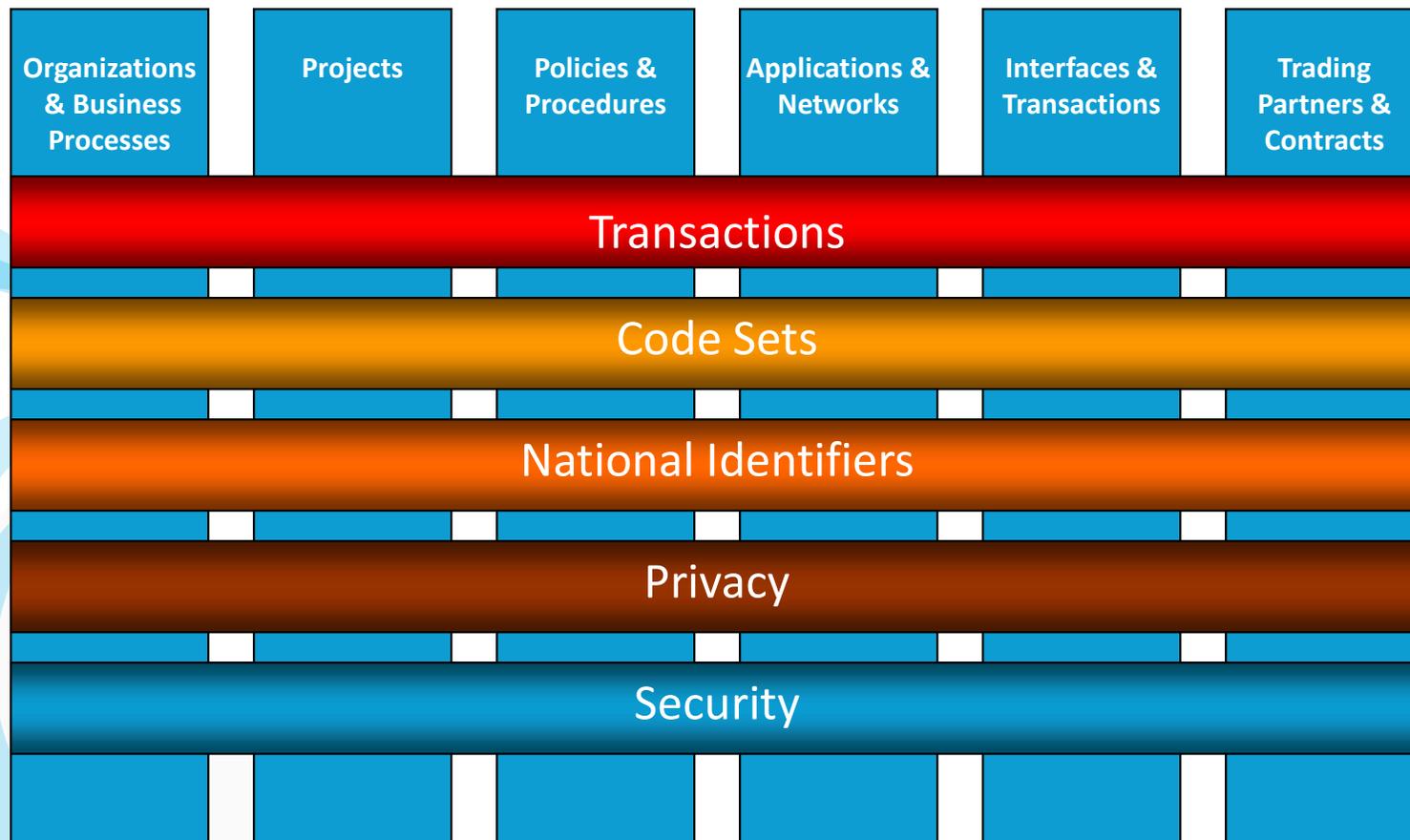


## Many Factors Influence HIPAA Effort

- Value of documented policies, procedures and programs
- Culture toward confidentiality in business operations
- The complexity of the existing security architecture and security administration
- Complexity of Business Partner trading Agreements and Business Associate relationships



# HIPAA Impacts the Enterprise



## HIPAA Enterprise Impacts

- Could Divert Strategic Focus
- Will Require Reallocating Funds
- Will Consume Organizational Energy and Focus
- Will Require Continuous Training
- Will Cause Confusion and Anxiety
- Will Require Constant Emphasis on Privacy, Security and Policies & Procedures



## Impact on Providers

If choose to submit on of the HIPAA covered electronic transactions, Providers must use standard transactions

- If use a billing service or clearinghouse to send EDI, must meet requirements of Privacy rule
- May use a clearinghouse to translate nonstandard transactions to standard or standard to nonstandard
- Data content a concern



# Impact on Providers

## Advantages to providers

- Standard format for all payers – no more proprietary formats
- Automated payment posting and COB claims
- Standardized codes in transactions
- Use clearinghouse as “postal service” or information “conduit” - and save expense of translation



# Impact on Health Plans

- Health plans must be able to accept and send the standard transactions
  - Can use a clearinghouse to accept/send on its behalf
- Cannot refuse transaction sent in standard X12 format
- If the health plan currently conducts a HIPAA business function, it must be able to use the standard transaction for that function



## Impact on Health Plans

- Cannot delay response
- Must process standard transactions in the same time frame as processed pre-HIPAA transactions
- May not offer incentives that discourage use of standard transactions



# Impact on Clearinghouses

HIPAA redefines clearinghouse as any entity\* that:

- Processes information from a nonstandard transaction to standard data elements or format

***OR***

- Receives a standard transaction and processes into nonstandard format or data content

\* Specifically names billing services, repricing companies, “value-added” networks and switches



# Impact on Clearinghouses

## Clearinghouses must have:

- Capability to receive and translate to/from standard transactions
- Business associate contracts to translate to/from nonstandard and standard transactions
- Contract with entity sending a nonstandard transaction
  - ⚡ Cannot contract with **payer** to receive nonstandard transactions from **provider** ⚡



# HIPAA Management Challenges

- Deadlines for Regulatory Compliance
- Re-prioritization of Strategic Initiatives
- Impact on Mergers & Acquisitions
- Security Infrastructure planning & development
- Enterprise HIPAA Communication Strategy
- Risk mitigation strategy and planning



# HIPAA Management Challenges

- Risk mitigation strategy and planning
- Cost Constraints / Budget Impact
- Privacy impact on Policies & Procedures
- On-going Compliance Strategy
- Civil & Criminal fines & penalties
- Investment



# HIPAA Compliance Management

## Program Management

### HIPAA Compliance

- Complex resource requirements
- Time constraints and deadlines
- Cross-entity/department data collection and assessment
- Budget impact
- Project Management
- Multiple projects

- Resource Management
- Schedule Management
- Complex Project Management
- Budget Management
- Scope Management
- Enterprise-wide metrics and reporting



# HIPAA Operations Challenges

- Implementation of core business process changes
- Potential for business interruption
- Business recovery changes
- Integration of compliance needs with other system initiatives
- Change in organizational culture



# HIPAA Operations Challenges

- PMO, Staff and User training
  - Before
  - During
  - After
- Privacy & Security Enforcement
- Day to Day Compliance Management
- Chain of Trust Agreements
- Least Necessary Access



# HIPAA Technology Challenges

- Heterogeneous Technologies
- Expansive Networks
- Mixed Paper / Electronic Systems
- System modifications & implementation
- Technical Security Devices
- Technical Security Measures
- Security Management
- Vendor Support



# Technology Impacts

- Modified, replaced or new applications and translation engines
- Revised EDI formats EDI capabilities
- Receipt of new/different content
- Revised data feeds and application interfaces
- Creation of new data elements, translation tables and databases and new Capacity issues
- Trading partner contracting, coordination, and capabilities issues



# Security Impacts

- Administrative Changes
  - Certification/testing of computer network security
  - Chain of trust agreements with business partners
  - Data backup procedures and contingency planning



## Security Impacts

- Physical Building and Access Changes
  - Facility and workstation security
  - Physical control of storage media use and disposal
  - Visitor/maintenance authorization and escort



# Security Impacts

- Personnel Changes
  - Awareness training for all system users
  - Breach reporting and sanctions
  - Assignment of security responsibility



# Security Impacts

- Operational Changes
  - User authentication
  - Audit trails and periodic review
  - Incident alarms and reporting
  - Internal audit procedures and controls
  - Change controls



# Privacy Impacts

- Increased accountability to patients and members
- Right to access, inspection, copying, amendments
- Culture change toward protecting patient information
- Increased regulatory and legal risks
- Compliance with complex federal standards
- Legal exposure for inadvertent disclosures



## Complexity of Privacy in Operations

- Privacy program infrastructure
- Formal systems for health information authorization
- “Minimum necessary disclosure” determination process
- Business partner contractual requirements, compliance monitoring
- New privacy policies and procedures
- User training and awareness



## Impact Analysis of EDI Issues

- What is the impact of standard input fields not processed
- What is the impact of standard output fields not processed
- What is the impact of data fields not existing in standard formats
- How do corresponding fields that match in meaning compare in length, type, and allowed value



# Impact Analysis of EDI Issues

- What are the volumes and attributes of customized code sets
- What are the volumes and number of non standard transactions
- Level of effort to develop non-existent transactions



# Impacts on Strategic Plans

- What is the impact of data compliance on the strategic plan
- What is the impact of business compliance on the strategic plan
- What is the impact of technology compliance on the strategic plan



## Impacts on Tactical Plans

- What is the impact of HIPAA compliance on the long and short range strategic plan
- What is the impact of HIPAA compliance on the e-business goals and objectives
- What is the impact of HIPAA compliance on the current and envisioned trading partners and technology vendors



# Impact on Strategy Plan Development

- Business unit initiatives
- Business process impacts and opportunity leverage points
- Cost estimations and expected return on investment
- e-Business strategy and it's impact on connectivity channels
- Capability of Business Associates to comply with HIPAA



## Strategy Development Plan Impacts

- Develop solution project plans
- Review the developed action plans throughout the project
- Evaluate alternatives and identify recommended solutions
- Create a comprehensive plan for discussion with management and business partners as required





# Have Questions?

Visit our Website,  
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