



**Connecting
Healthcare**[®]
Engaging Patients[™]

HIPAASuccess - Physician Education Series

HIPAA Who-What-Where

Your Faculty:

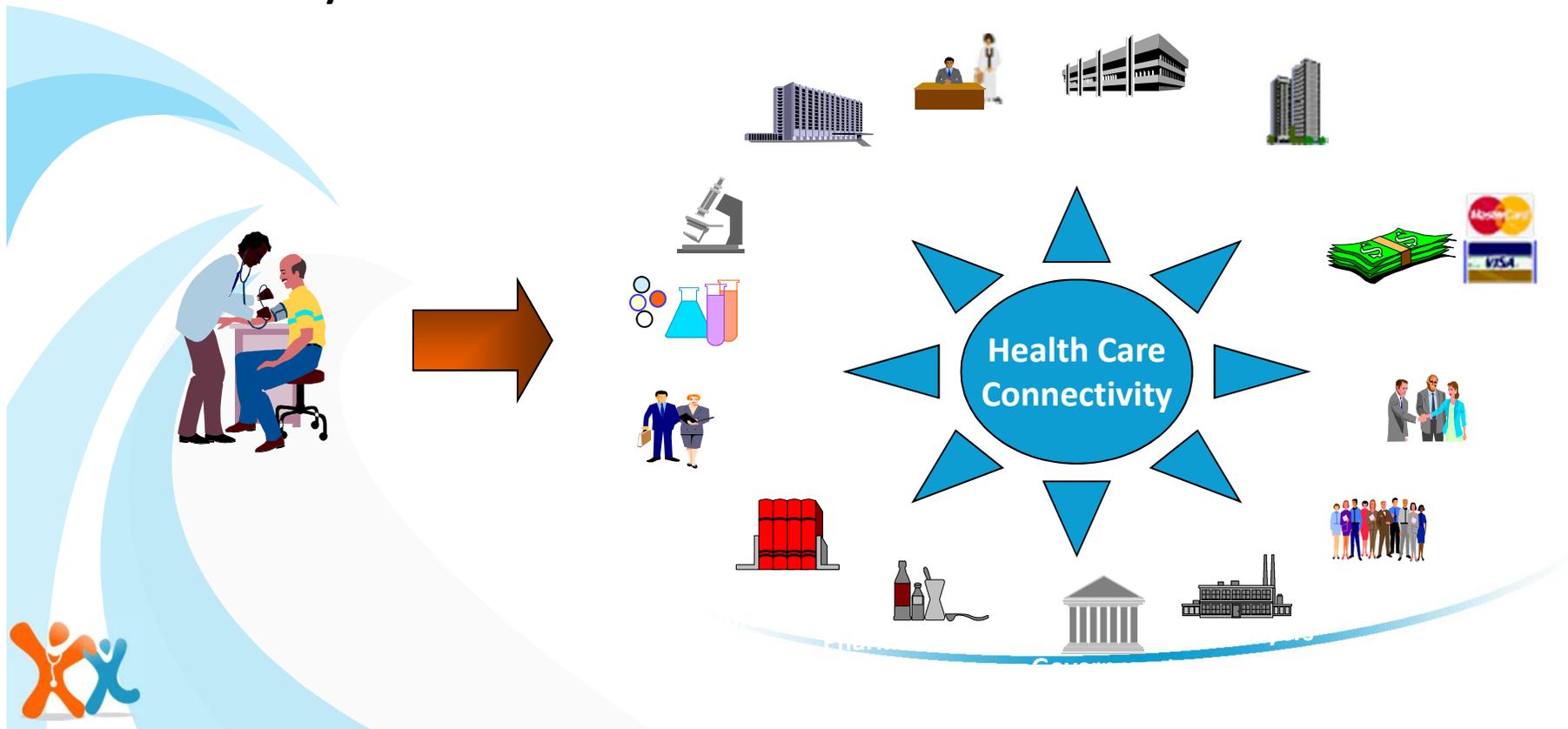
Walt Culbertson

- 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)



Why HIPAA?

- The goal of HIPAA is to improve the efficiency and security of the health care infrastructure



What is Administrative Simplification?



The Administrative Simplification (AS) provisions of HIPAA were enacted by Congress to regulate and standardize information exchanges and establish standards for the privacy and security of individually identifiable health information.

The four key areas of Administrative Simplification are Privacy, Security, Transactions, Code Sets and National Unique Identifiers.



Who's Covered

- Health Plans
 - HMOs, health insurers, group health plans including employee welfare benefit plans
 - Health Care Clearinghouses
 - An entity that processes health information going from a health care provider to a payer.
- Certain Health Care Providers
 - Any healthcare provider who transmits any health information in electronic form in connection with a standard transaction



Who Must Comply

- Business associates of covered entities are ***not*** covered entities
 - Business associate is ***indirectly*** covered through contracts with covered entities
 - Business associate is expected to follow the same rules the covered entity would have to follow



HIPAA-AS Value Proposition

- Protect privacy of health information and patient rights
- Security for electronic based health care information
- Reduce costs of administrative overhead estimated at **\$.25** of every healthcare dollar as of 1996
- Improved cost and quality of patient care from timely clinical data access to more accurate information availability for decision making



HIPAA-AS Value Proposition

- Improve efficiency and effectiveness of national health system
- As estimated in 1996 when the law was passed:
 - EDI estimated to save providers \$9 billion
 - Will save national health system \$26 billion
- Reduce fraud and abuse
 - \$.11 of every healthcare dollar



Practical View of HIPAA

- The issues that HIPAA addresses not only involve technology, but requirements imposed on administration operations which effect everything from document storage, to medical procedures coding, to customer service
- Compliance with HIPAA will be a constantly evolving process with no defined end



Many Factors Influence HIPAA Effort

- Complexity of the organization and number of business units or decentralized operations
- Value of documented policies, procedures and programs
- Culture toward confidentiality in business operations
- The complexity of the existing security architecture and security administration



Many Factors Influence HIPAA Effort

- 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
- Number and complexity of current Business Associate and Trading Partner Agreements



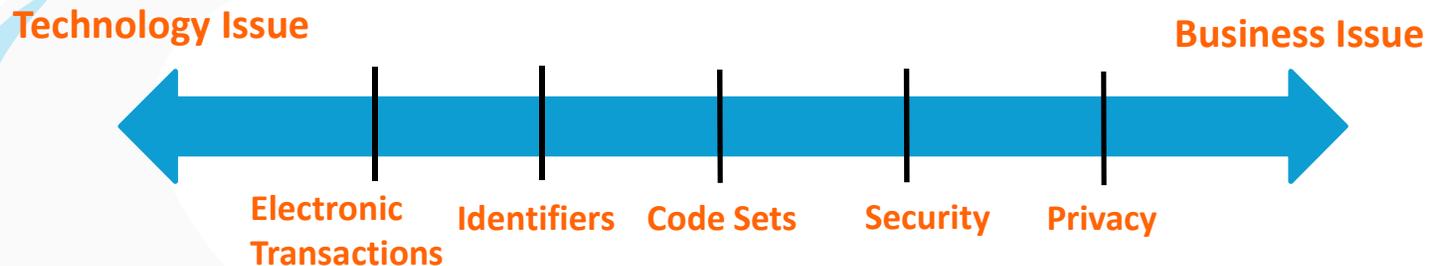
Assess All HIPAA Provisions

- While they are being released in a staggered fashion, the HIPAA regulations are interdependent within the systems and operations of covered entities
- None of the provisions of Administration Simplification should be assessed nor remediated in a vacuum



Plan for HIPAA Revisions

- Later releases of the final rules will further effect changes already in progress as well as implemented solutions to meet earlier specifications



Technology Overview



HIPAA Technology Provisions

Three Categories of Technology Requirements:

- Transaction Sets
 - Address the key business interactions among health care providers, health plan payers and health plan sponsors
- Code Sets
 - Define the data element values used in the standard transactions
- Identifiers
 - Uniform data values used to uniquely identify the key participants in the standard transactions



Technology Interactions

Standard transaction sets are defined for the following:

- Health claims or equivalent encounter (X12N 837)
- Retail Pharmacy (NCPDP - Online Version 5.1, Batch 1.0)
- Enrollment and Disenrollment in a health plan (X12 834)
- Eligibility for health plan - inquiry/response (X12N 270-271)
- Healthcare payment and remittance advice (X12N 835)
- Health claim status - inquiry/response (X12N 276-277)
- Coordination of benefits (X12N 837)
- Referral certification (X12N 278)
- Referral authorization (X12N 278)
- Health plan premiums (X12 820)
- First report of injury (Not in Final)
- Health claims attachments (Not in Final)

Standard Transaction Record

Code Sets

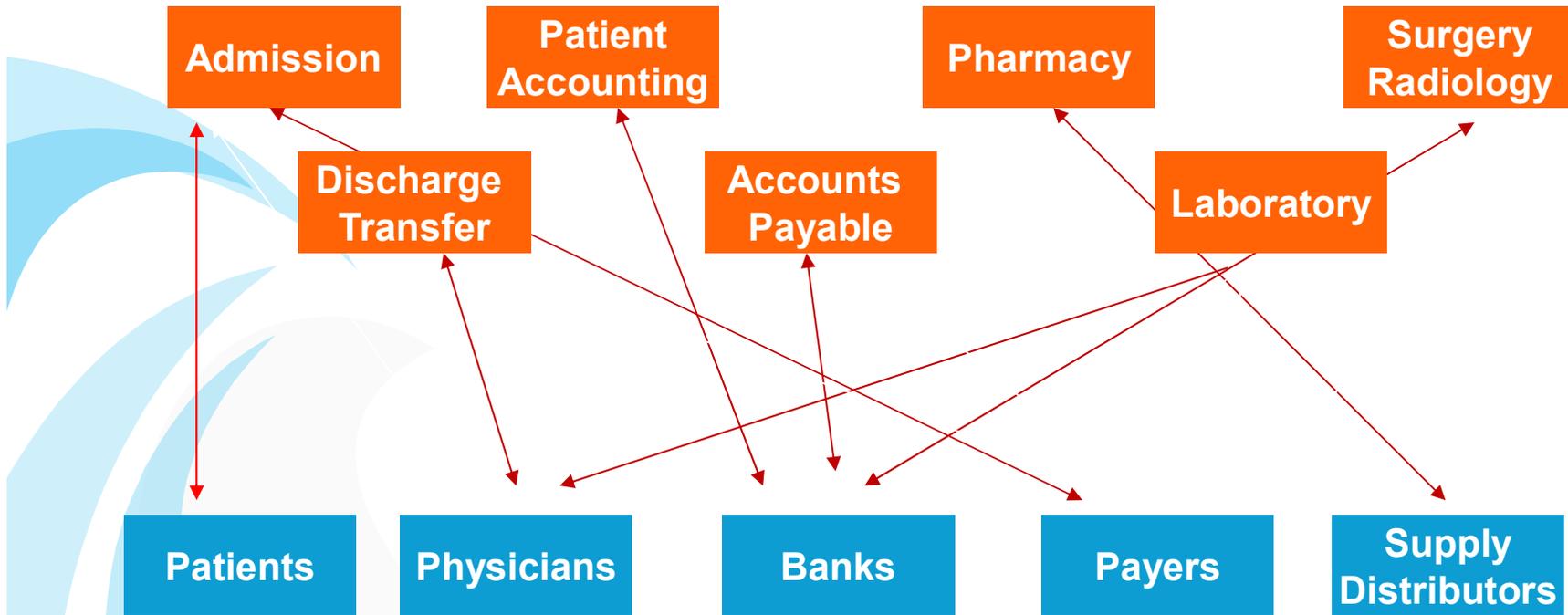
ICD-9-CM (diagnosis and procedures)
CPT-4 (physician procedures)
HCPCS (ancillary services/procedures)
CDT-2 (dental terminology)
NDC (national drug codes)
Non-Medical Code Sets

Identifiers

Providers
Employers
Health plans (open)
Individuals (open)



Connectivity Today



HIPAA Compliant Evolution

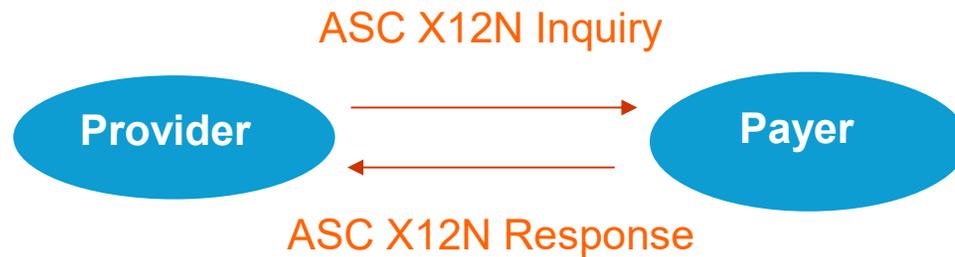
Before HIPAA

- EDI Point to Point Connections
- No Standard Formats

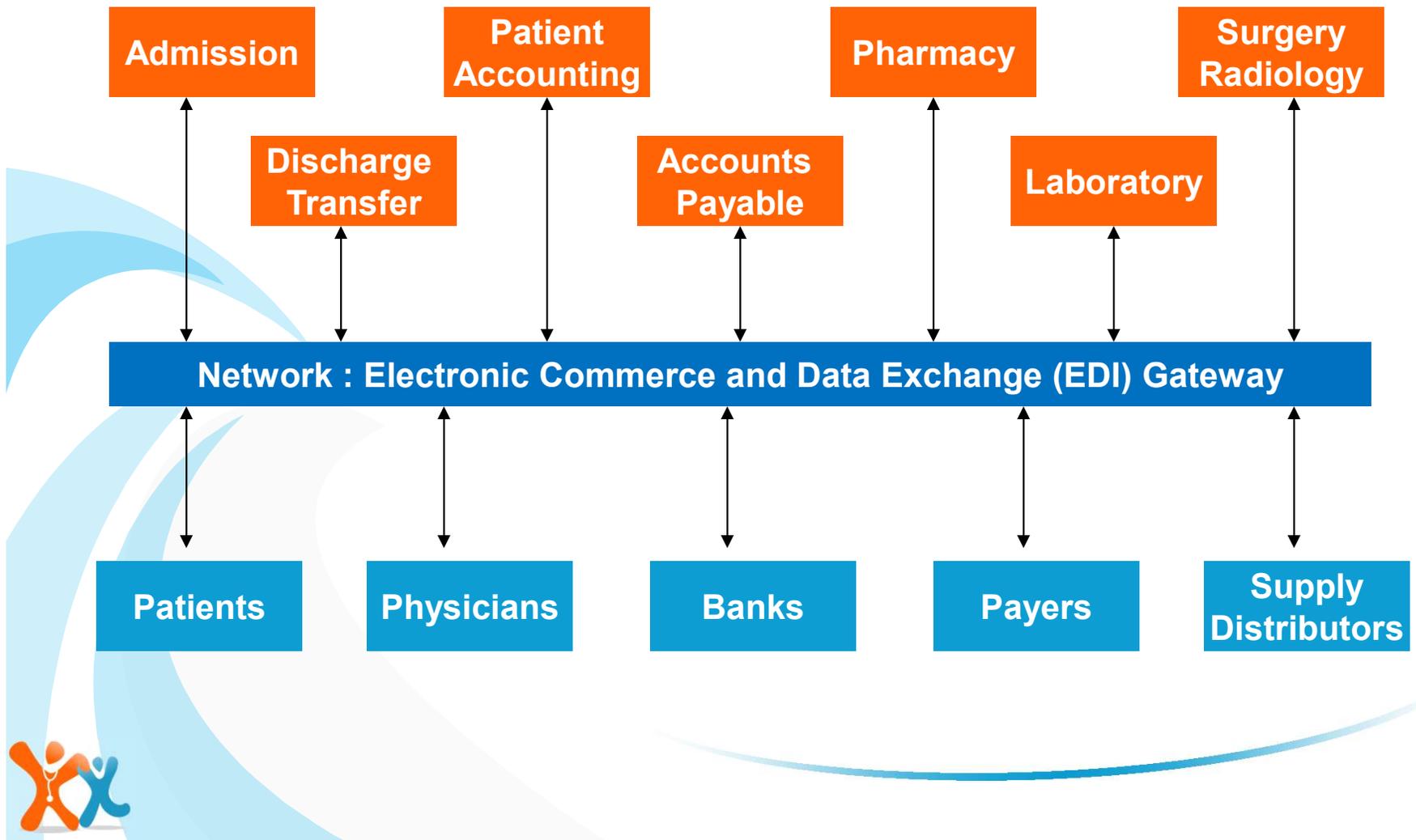


After HIPAA

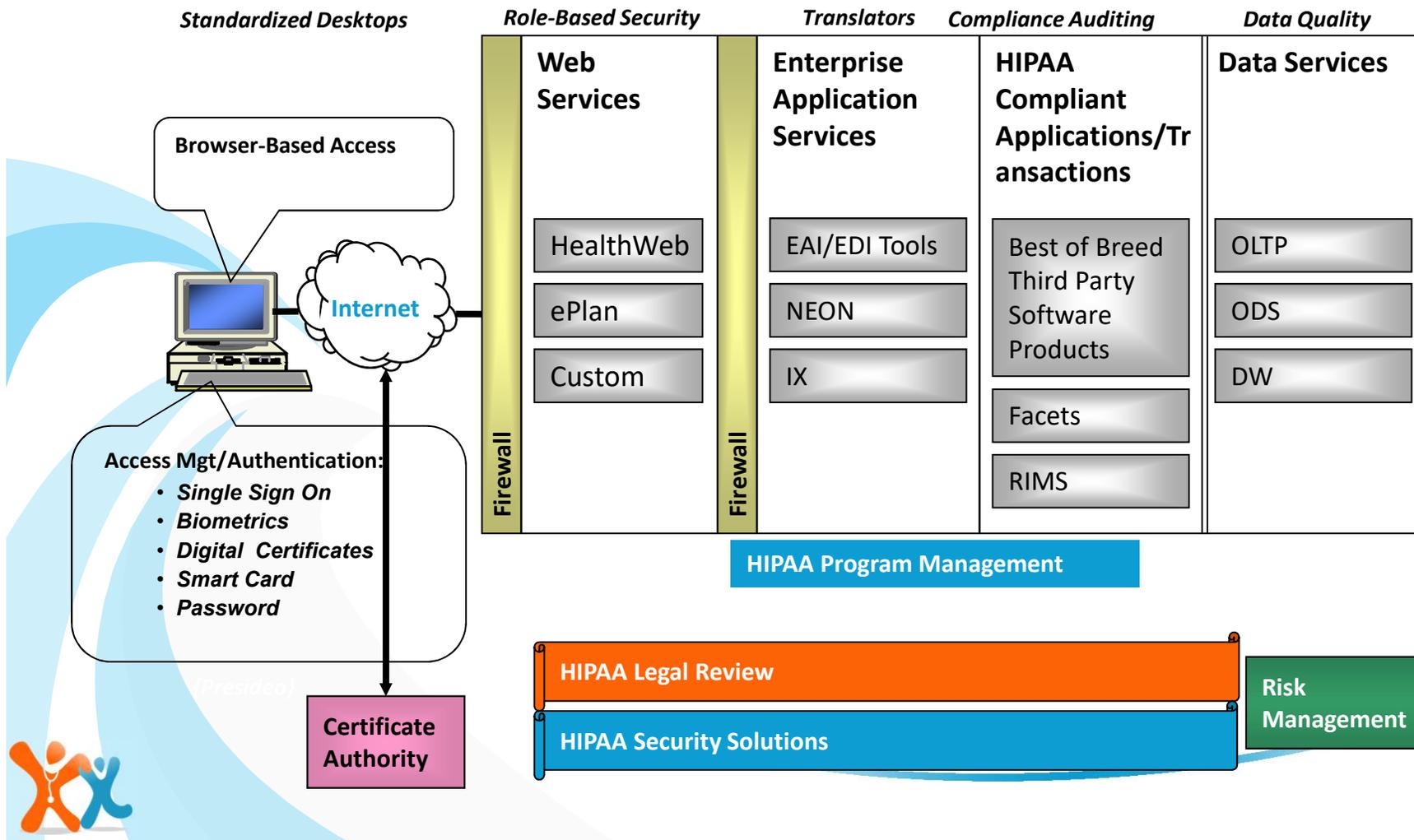
- Internet Virtual Connections
- HIPAA Standard Formats



Connectivity Tomorrow



HIPAA Compliant Architecture Example



Technology Impacts

- Modified, replaced or new applications and translation engines
- Creation of new capacity issues
- Revised EDI formats EDI capabilities
- Receipt of new/different content
- Creation of new data elements, translation tables and databases



Technology Impacts

- Revised data feeds and application interfaces
- Trading partner issues
 - Contracting
 - Coordination
 - Capabilities concerns
 - Information exchange
 - Coordination of compliance dates



Technology Challenges

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



Implementation Issues

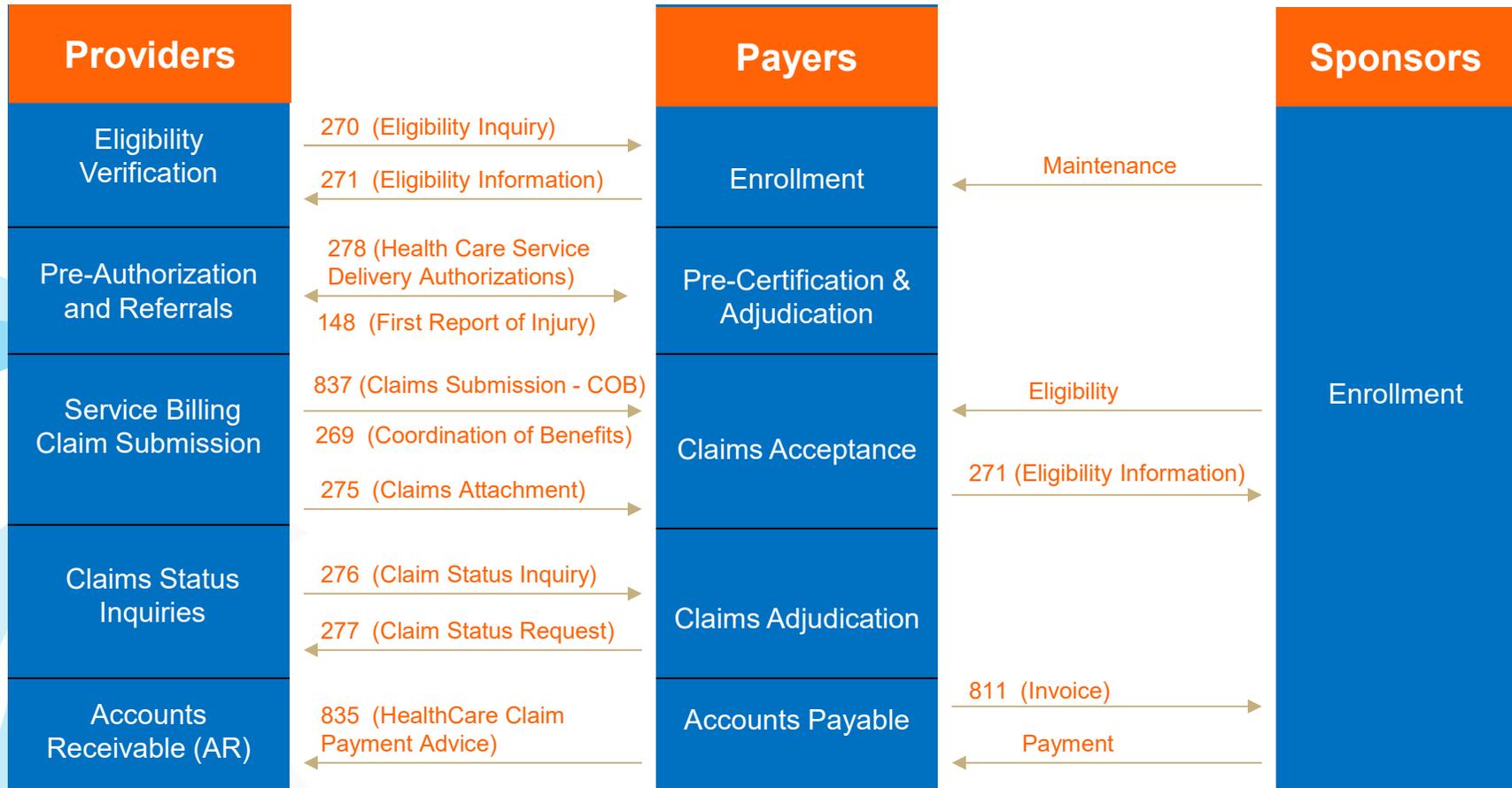
- Coordination is a critical issue for all trading partners who must stage individual transactions, code sets and identifiers
- Sequencing of the various technology provisions of HIPAA, as well as the individual transactions has serious implications



Transactions Overview



ASC X12N Standard Transaction Flow



These X12N Standards are not contained in the initial Transactions and Code Sets Final Rule.

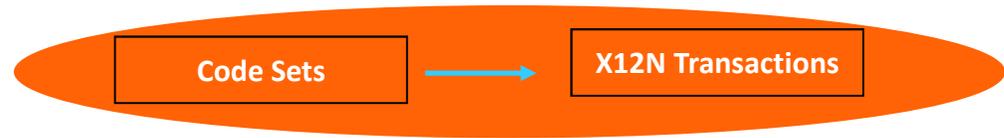


Sequencing Issues

Trading Partner A



Organization



Trading Partner B



Transaction Sequencing

- Transactions have interdependencies which will generally require the implementation of “groupings” of transactions to support the interrelationships between them
- Many transactions are linked or have companion transactions such as those used to determine eligibility for procedure related benefits (270/271) or claims status (276/277)



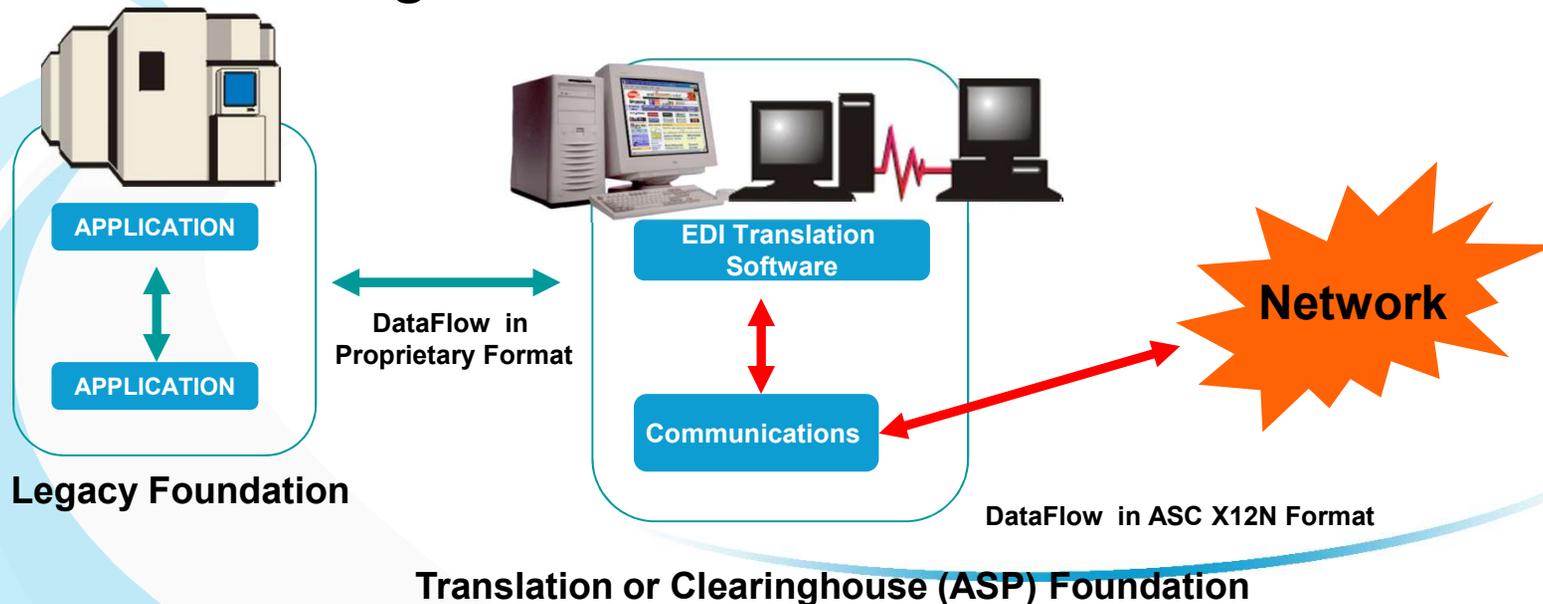
Transaction Sequencing

- The sequence and timing of individual transactions must be a key outcome of a HIPAA Business Impact Assessment and Remediation Plan
- Given the interdependencies between transactions and the interactions among payers and providers, there are many proposed implementation sequencing proposals



EDI Translation Option

- Some organizations will achieve compliance by enabling existing foundations directly
- Other covered entities will choose to deploy in-house translators or use the translation and delivery services of external clearinghouses or value added networks



Basic Rules for EDI

Must use standard transaction if :

- Entity sending transaction is a covered entity
- and*
- Transaction is one of HIPAA covered transactions



Basic Rules for EDI

May use a clearinghouse to translate from nonstandard to *standard** and from a standard transaction to a nonstandard transaction

* “*Standard*” includes full data content as well as correct format



Basic Rules for EDI

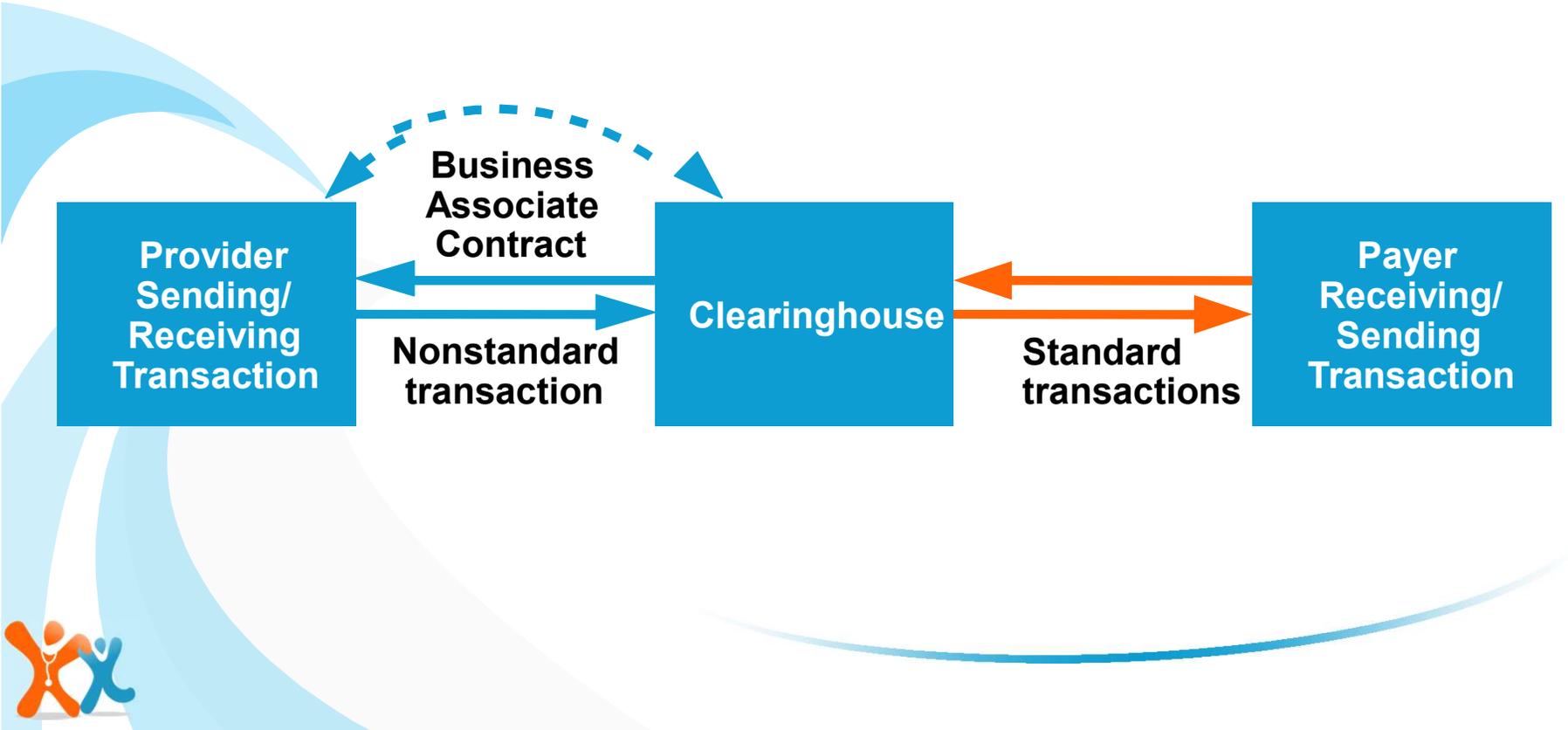
Direct Data Entry exception for providers (web-based or terminal)

- Must conform to full data content of transaction
- Need not conform to X12 format



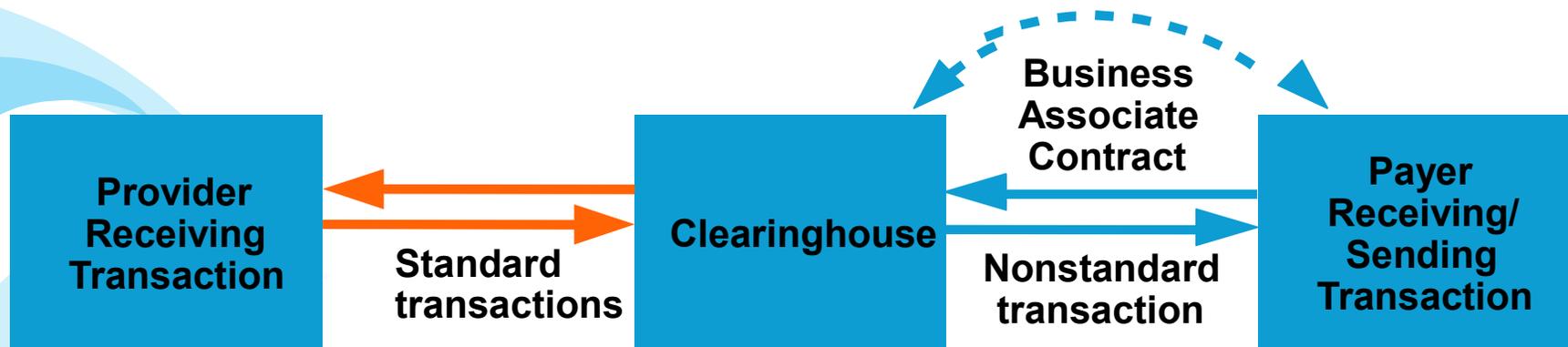
Business Associate Contract

With Provider



Business Associate Contract

With Payer

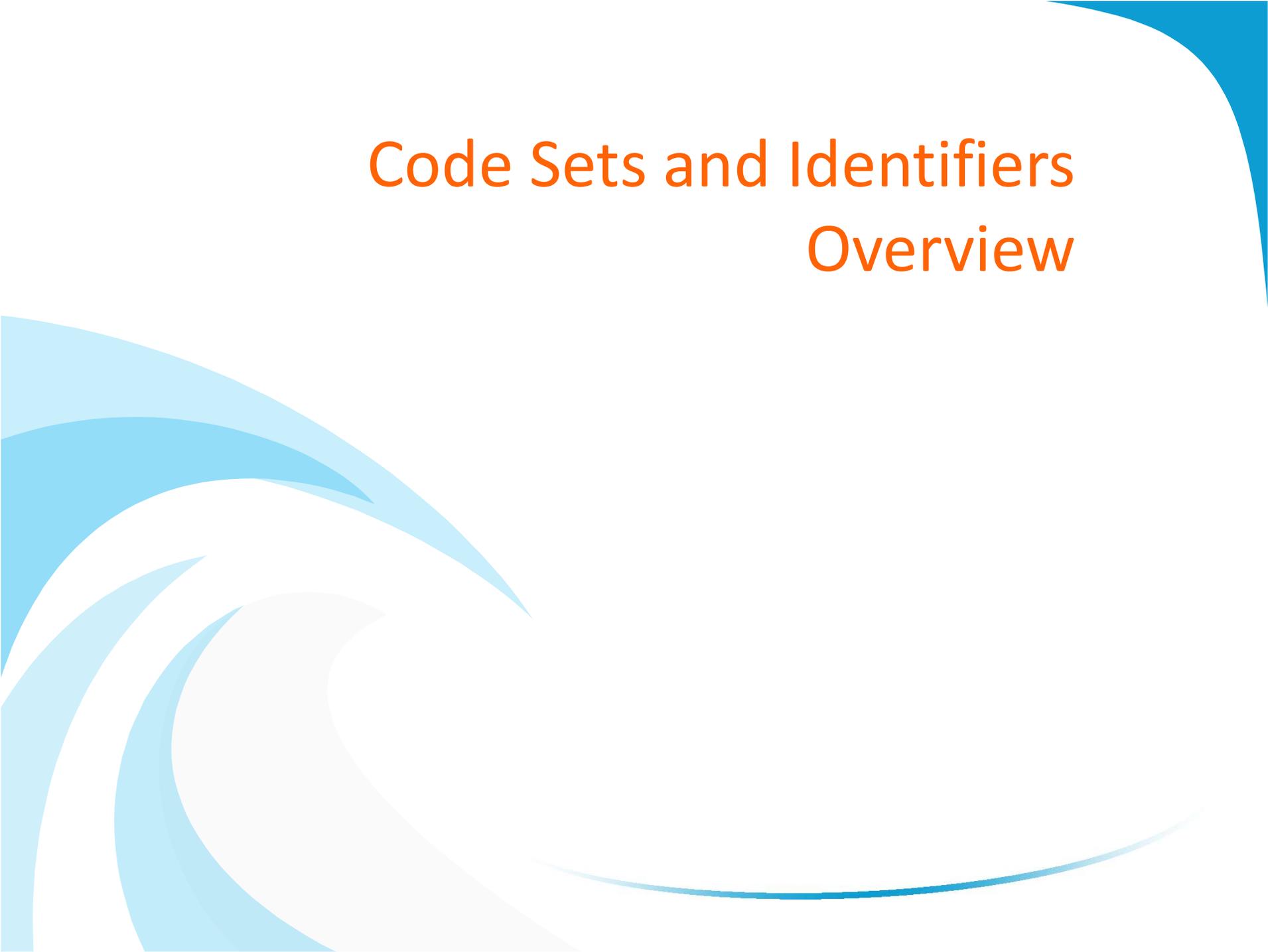


Business Associate Contract



*The clearinghouse *must* be able to receive and send standard transactions. At this time, it is uncertain whether or not the clearinghouse must translate nonstandard transactions into standard transactions before sending them out again as nonstandard transactions. This issue is hotly debated in the HIPAA listservs.





Code Sets and Identifiers Overview

Code Sets

- Major code sets include:
 - ICD-9 -CM - International Classification of Diseases
 - CPT-4 - Physician Current Procedural Terminology
 - HCPCS - HCFA Procedural Coding System for medical equipment, injectable drugs, transportation and other services not in CPT-4
 - CDT-2 - Current Dental Terminology
 - NDC - National Drug Codes



Code Sets

- Must be used in all applicable standard transactions
- Major code sets characterize medical data, diseases, conditions, procedures, and health interventions
- In addition to the major code sets, there are dozens of supporting code sets for both medical and non-medical data.
- Current national coding standards may be updated to new editions in 2002
 - If adopted, ICD-10-CM will bring many new operational issues



Supporting Code Sets

- An example are those embedded in the more than 500 data elements identified by the standard 837 Professional Claim:

Adjustment Reason Code
Agency Qualifier Code
Amount Qualifier Code
Ambulatory Patient Group Code
Attachment Report Type Code
Attachment Transmission Code
Claim Adjustment Group Code
Claim Filing Indicator Code
Claim Frequency Code
Claim Payment Remark Code
Claim Submission Reason Code
Code List Qualifier Code
Condition Codes
Contact Function Code
Contract Code
Contract Type Code
Credit/Debit Flag Code
Currency Code
Disability Type Code
Discipline Type Code

Employment Status Code
Entity Identifier Code
Exception Code
Facility Type Code
Functional Status Code
Hierarchical Child Code
Hierarchical Level Code
Hierarchical Structure Code
Immunization Status Code
Immunization Type Code
Individual Relationship Code
Information Release Code
Insurance Type Code
Measurement Reference ID Code
Medicare Assignment Code
Nature of Condition Code
Non-Visit Code
Note Reference Code
Nutrient Administration Method Code
Nutrient Administration Technique Code
Place of Service Code
Policy Compliance Code
Product/Service Procedure Code

Prognosis Code
Provider Code
Provider Organization Code
Provider Specialty Certification Code
Provider Specialty Code
Record Format Code
Reject Reason Code
Related-Causes Code
Service Type Code
Ship/Delivery or Calendar Pattern Code
Ship/Delivery Pattern Time Code
Student Status Code
Supporting Document Response Code
Surgical Procedure Code
Transaction Set Identifier Code
Transaction Set Purpose Code
Unit or Basis Measurement Code
Version Identification Code
X-Ray Availability Indicator Code



National Identifiers

- *Health Care Providers (National Provider Identifier - NPI):* A nationally maintained uniform provider identifier. Likely to be a 10-digit numeric field with a check digit in the 10th position
- *Employers (Employer Identification Number):* Proposed to be the current taxpayer identification number utilized for IRS purposes.



National Identifiers

- *Health Plans (Plan ID)*: Identifier format yet to be announced. Likely to be a nine digit number. Would be assigned to all “health plans”, including entities like TPAs.
- *Individual*: Identifier format not yet announced. This is a charged issue that has been vigorously debated and continually delayed.





HIPAA Security

HIPAA Security

- **Security** - an organization's responsibility to control the means by which such information remains confidential
 - Administrative Procedures
 - Physical Safeguards
 - Technical Security Services
 - Technical Security Mechanisms



Relationship between Privacy and Security

- There is a direct relationship between privacy and security:
 - Security is the ‘how’.. privacy is the ‘what’ and often the ‘why’
 - Security is the structure established to protect IIHI
 - One of the implementation barriers to privacy is the security infrastructure of the Covered Entity
 - Security awareness and education addresses ‘what’ is being protected



Security Impacts

- Administrative Procedures
 - Relates primarily to policies, procedures and organizational practices dealing with the behavioral side of security
- Physical Safeguards
 - Policies and procedures for ensuring authorized physical access



Security Impacts

- Technical Security Services
 - Relates to the processes that must be put in place to protect, control, and monitor information access
- Technical Security Mechanisms
 - Technical security requirements to guard Data Integrity, Confidentiality, and Availability



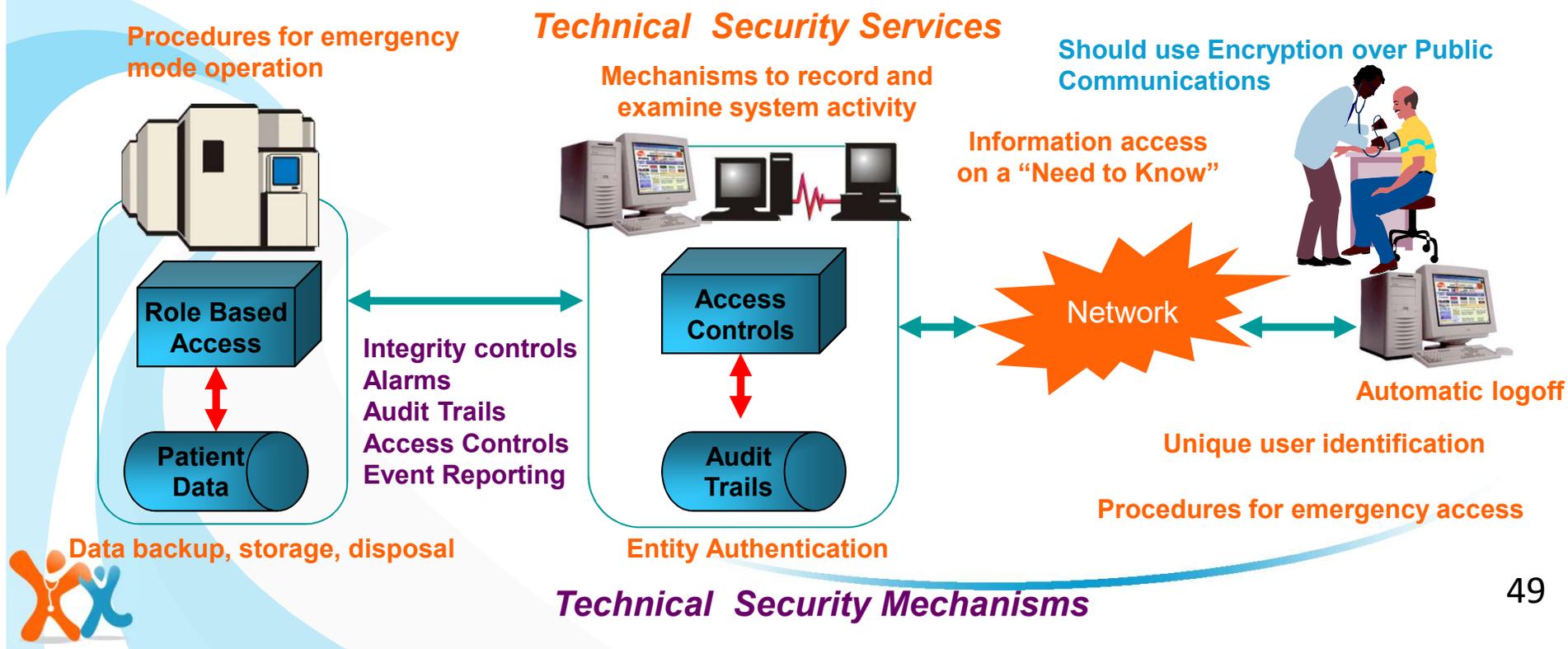
Security Requirements

- **Administrative Procedures**
 - Certification (which means)
 - Chain of trust
 - Contingency plan
 - Formal mechanism to process records
 - Information access controls
 - Internal audits
 - Personnel security
 - Security configuration management
 - Security incident procedures
 - Security management procedures
 - Termination procedures
 - Training
- **Technical Security Services**
 - Access controls or encryption
 - Audit controls
 - Authorization controls
 - Data and Entity authentication
- **Physical Safeguards**
 - Assigned security responsibility
 - Media controls
 - Physical access controls
 - Policies & guidelines on workstation use
 - Secure workstation locations
 - Security awareness training
- **Technical Security Mechanisms**
 - Integrity controls
 - Message authentication and matching
 - Network access controls
 - Access control or encryption of network messaging and other safeguards



HIPAA Compliant Security

- In addition to HIPAA EDI Transaction standards, covered entities will face compliance for HIPAA Security components which directly effect technology architectures





HIPAA Privacy

HIPAA Privacy

- Privacy - an individual's rights to control access and disclosure of their protected or individually identifiable healthcare information (IIHI)
 - Establish authorization requirements
 - Establish administration requirements
 - Establish individual rights
 - Establish regulations for use or disclosure of Protected Health Information (“PHI”)



Privacy General Requirements

- PHI is individually identifiable healthcare information (IIHI) in any form
 - Identifies the individual or creates a reasonable basis to believe it may identify the individual
 - IIHI can be in any form including paper and voice
- A Covered Entity may not use or disclose PHI except as:
 - Permitted by the regulations
 - Authorized by the individual



What's Covered Under Privacy

- Only the use and disclosure of protected health information is covered. In order to be considered "protected health information" under the final regulations, health care information must:
 - Relate to a person's physical or mental health, the provision of health care, or the payment of health care
 - Identify, or could be used to identify, the person who is the subject of the information
 - Be created or received by a covered entity and which is transmitted or maintained in any form or medium



Privacy Applicability

- Uniform national law except for stricter state laws
- Examples of Covered Entities include:
 - Health plans
 - Health clearinghouses
 - Health care providers conducting one of the HIPAA electronic transactions



Privacy Applicability

- Covered entity business associates
 - Contractors who receive PHI in order to perform for, or assist the Covered Entity
 - Covered Entities must assure that their Business Associates are adhering to the HIPAA privacy regulations



Individual Rights

- Ability to revoke consent authorizations
- Written notice of health plan and provider information practices
- Have access to PHI to inspect and copy
- Amendment and correction of PHI mistakes
- Accounting of disclosures



Minimum Necessary Disclosures

- Only PHI needed to accomplish purpose
- Case-by-case determination
- Designated decision maker
- Applies to internal and external uses which varies by function in each department
- Exceptions for:
 - Plan audit and as required by law”
 - DHHS access



Business Associates

- Perform Covered Entity functions
- Outsourcing must be by contract
- Use and disclosure only as agreed and per HIPAA rule
- Duty to notify of wrongful disclosure
- Duty to return/destroy PHI on termination
- Material breach by Business Partner is grounds for termination and constitutes violation



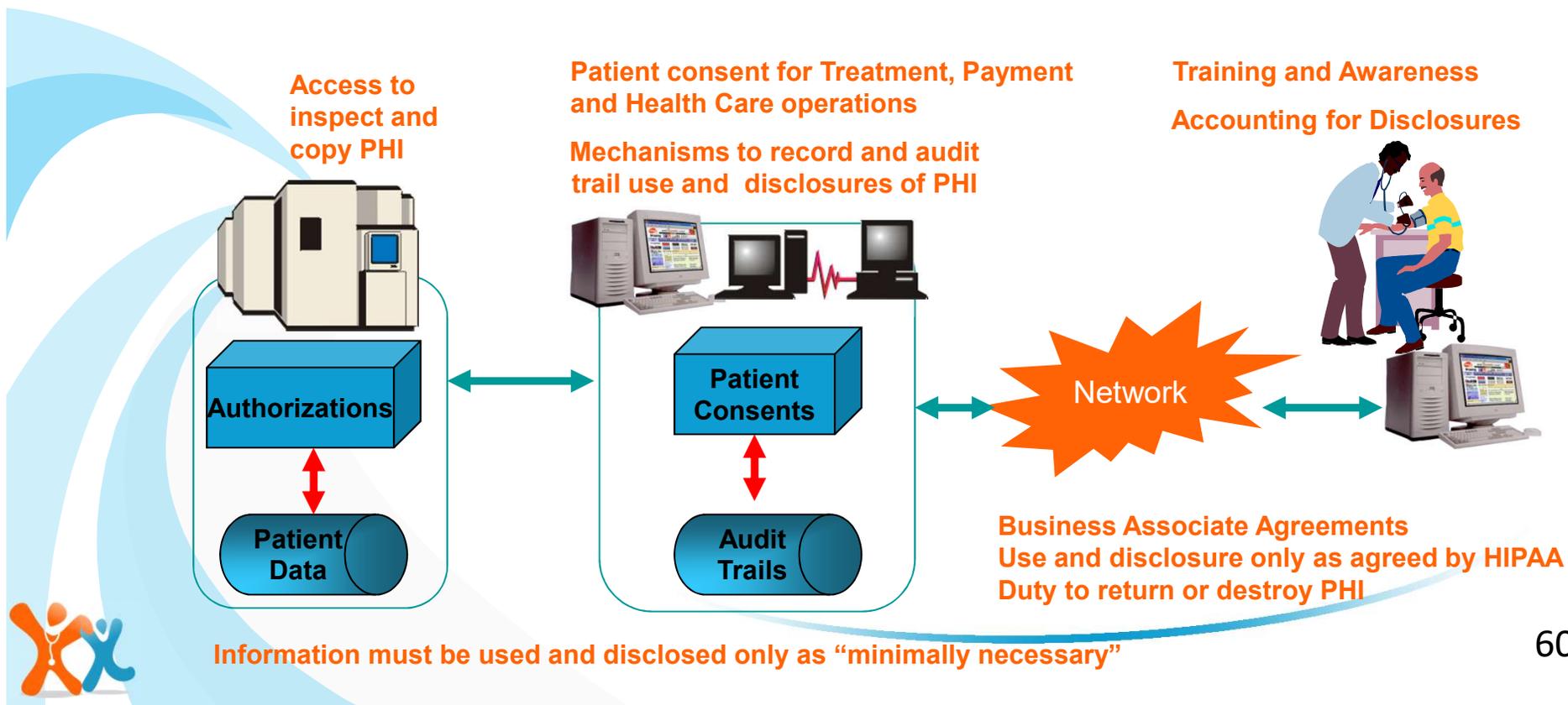
Privacy Documentation

- Covered Entities must document compliance with the rules by policies and procedures on these general topics:
 - Uses and disclosures
 - Individual rights
 - Administrative requirements
 - Record Retention
 - Changes to policies



HIPAA Compliant Privacy

- While not as technology based as Security, many of the Privacy provisions of HIPAA could also be effected by technology based implementations





Have Questions?

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