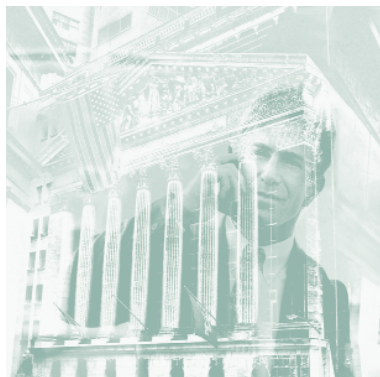


Three complex regulations authorized by HIPAA soon will greatly alter how providers transmit, store, or access protected health information (PHI).



HIPAA: A Call to Action

Steps To Take To Comply With The Law

What is HIPAA?

HIPAA compliance is a big job, often requiring an overhaul of in-office procedures and etiquette. However, waiting—even if you are waiting for final rules—is not an option. The law is here and if you don't start working on compliance now, you risk missing deadlines and facing penalties.

HIPAA stands for a 1996 Federal law called the Health Insurance Portability and Accountability Act. The administrative simplification regulations required by the law are intended to improve healthcare administration efficiency by standardizing electronic data interchange (EDI) and by protecting the confidentiality of patient medical records and other individually identifiable health information using new standards.

HIPAA has a broad impact on providers in every healthcare setting as well as health plans and clearinghouses. Three complex regulations authorized by HIPAA soon will greatly alter how providers transmit, store, or access protected health information (PHI).

WHY COMPLY?

Steep penalties may be imposed for non-compliance with any HIPAA standard. Individuals may be liable for up to 10 years in prison and \$250,000 in fines for obtaining and/or intentionally misusing PHI for commercial advantage, personal gain, or malicious harm. For violations not resulting from willful neglect or wrongful disclosure, organizations are liable for up to \$25,000 in fines per requirement, per year. In addition, repeated non-compliance can result in exclusion from Medicare, Medicaid, and other Federal or state health programs.

If you are a small practice or facility, you may be less likely to encounter a federal investigator checking on your progress with HIPAA compliance. However, the government will closely scrutinize health insurers, clearinghouses, Medicaid agencies, etc., and will pressure these groups to ensure that all practices under their purview are following the law.

If you miss HIPAA deadlines or fail to fully comply with the law, you put yourself and your medical facility at risk. Health plans and clearinghouses, for instance, will refuse to process claims that don't include the proper code sets after the HIPAA deadline. Further, liability insurers will increase premiums and/or refuse to cover practices that don't implement appropriate privacy standards, as patients will most certainly test the law by suing facilities that don't safeguard their information.

The sooner you comply, the sooner you can reap the benefits of HIPAA: standardized electronic transactions are sure to speed settlements, ease the process of checking patient eligibility, and reduce the number of rejected claims.

Transactions and Code Sets Standards Regulation

Regulations governing electronic transaction standards and code sets stipulate that any healthcare provider transmitting health information in electronic form—as well as every clearinghouse and most health plans (all referred to as “covered entities”)—must do so in a standardized format by **October 16, 2002**. This regulation means that you and your partners must use a common set of codes for all medical procedures as part of the electronic exchange of healthcare information in order to increase efficiency and to reduce the number of medical errors.

Step 1: If you have not already done so, file for an extension with the Centers for Medicare and Medicaid Services (CMS). The extension will allow your organization to take up to an extra year to comply with the Transactions and Code Sets Standards Regulations. Visit <http://www.cms.gov/bipaa/bipaa2/ascaform.asp> to obtain CMS extension paperwork.

Step 2: Work to obtain documentation from clearinghouses and software vendors indicating that your organization is working to adopt these common transaction standards.

Step 3: Get trading partner agreements in place in order to prove that your organization has been working with outside vendors to ensure compliance. Your vendors may already have agreements prepared, which will ease your compliance burdens.

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Privacy Standards Regulations

The HIPAA privacy regulations fall squarely on the shoulders of the practice or medical facility. Generally, under the law, disclosure of any information relating to past, present, or future medical conditions of a patient is prohibited unless the practice or medical facility has a signed consent or authorization from the patient.

Consent is required to carry out treatment, to obtain payment for services, and to perform healthcare operations. In general, any other use requires written authorization from the patient. All providers must be in full compliance with the privacy standards by **April 14, 2003**. This deadline is set, regardless of whether the law changes in the coming year.

Step 1: Assess your risk and plan your compliance strategy.

Step 2: Consider patient privacy in all aspects of your medical facility operations. For instance, it should become standard procedure that you and your co-workers clear all patient files off desks, keep all patient files under lock and key, and make all medical records inaccessible to all parties other than treatment personnel. This means eliminating some common practices in facilities, including placing charts on exam room doors, discussing treatment options within earshot of other patients, and using patient sign-in lists that are not blacked out or covered.

Step 3: Train your staff on new privacy procedures, particularly all those dealing with outside visitors, including delivery staff, sales reps, repairmen, cleaning crews, property management, etc.

Step 4: Collect documentation outlining your new privacy procedures. Under the law, you must conduct “reasonable efforts” to ensure patient privacy. Make sure you can prove you have taken steps to control the use of patient information.

How Can I Get More Information?

Additional guidance and resources on HIPAA compliance can be found at www.hipaanswers.com or on the HIDA Web site at <http://www.HIDAnetwork.com>.

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