

# ***HIPAA:***

***The What, Who, When,  
How and Why***



**Joint LPHA/MACSSA Meeting**

**August 15th, 2002**

# 5 Stages of HIPAA Organization



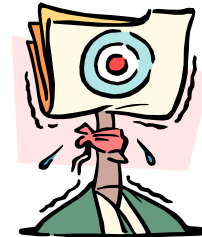
1. Denial

2. Anger



3. Bargaining

4. Anxiety



5. Acceptance

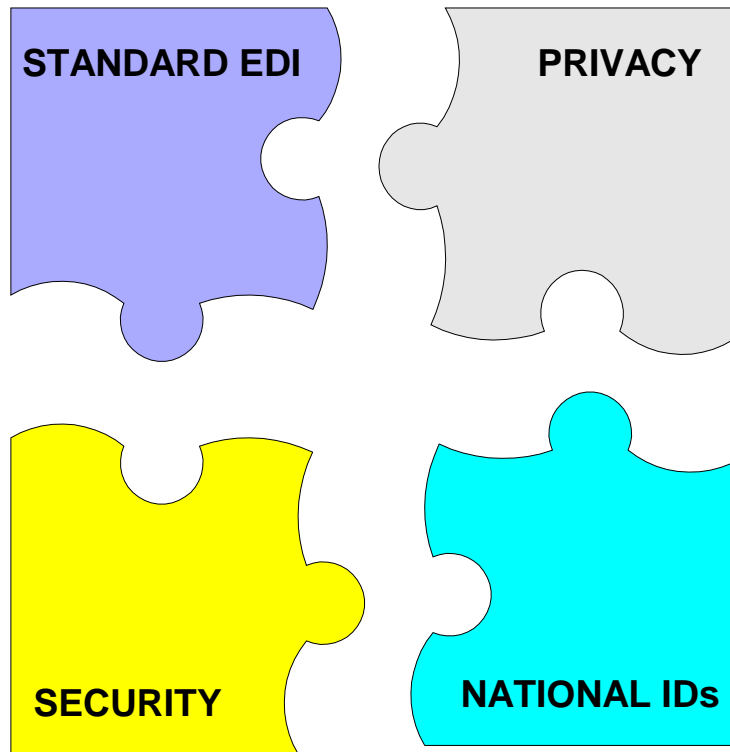


# *HIPAA – the “WHAT”*



- **HIPAA is the Health Insurance Portability and Accountability Act of 1996, a bipartisan bill originally proposed by Senators Kennedy and Kassebaum.**
- **Title I was finalized in 1996 as part of health care reform and ensured better access to health insurance, portability, and limits on pre-existing conditions.**
- **Title II rules have been enacted and amended over the past couple of years, with some sections still awaiting finalization.**
- **The main section of Title II, called Administrative Simplification & Privacy (AS&P), gained momentum from a HCFA report showing huge cost savings to be gained by sending records electronically and standardizing the electronic record formats**

# *HIPAA Components*



Four Main Pieces of  
the Puzzle...

# *Standard EDI*



**STANDARD EDI**

***Remember:***

- ***new data fields***
- ***difficult programs***

## **PART ONE:**

- **Standard Transactions**
  - Eligibility
  - Premium Payment
  - Enrollment / Disenrollment
  - Referrals & Authorizations
  - Claim, Encounter, COB
  - Claim Payment, Remittance
  - Claim Status & Response

# *Standard EDI*



## **STANDARD EDI**

***Remember:***

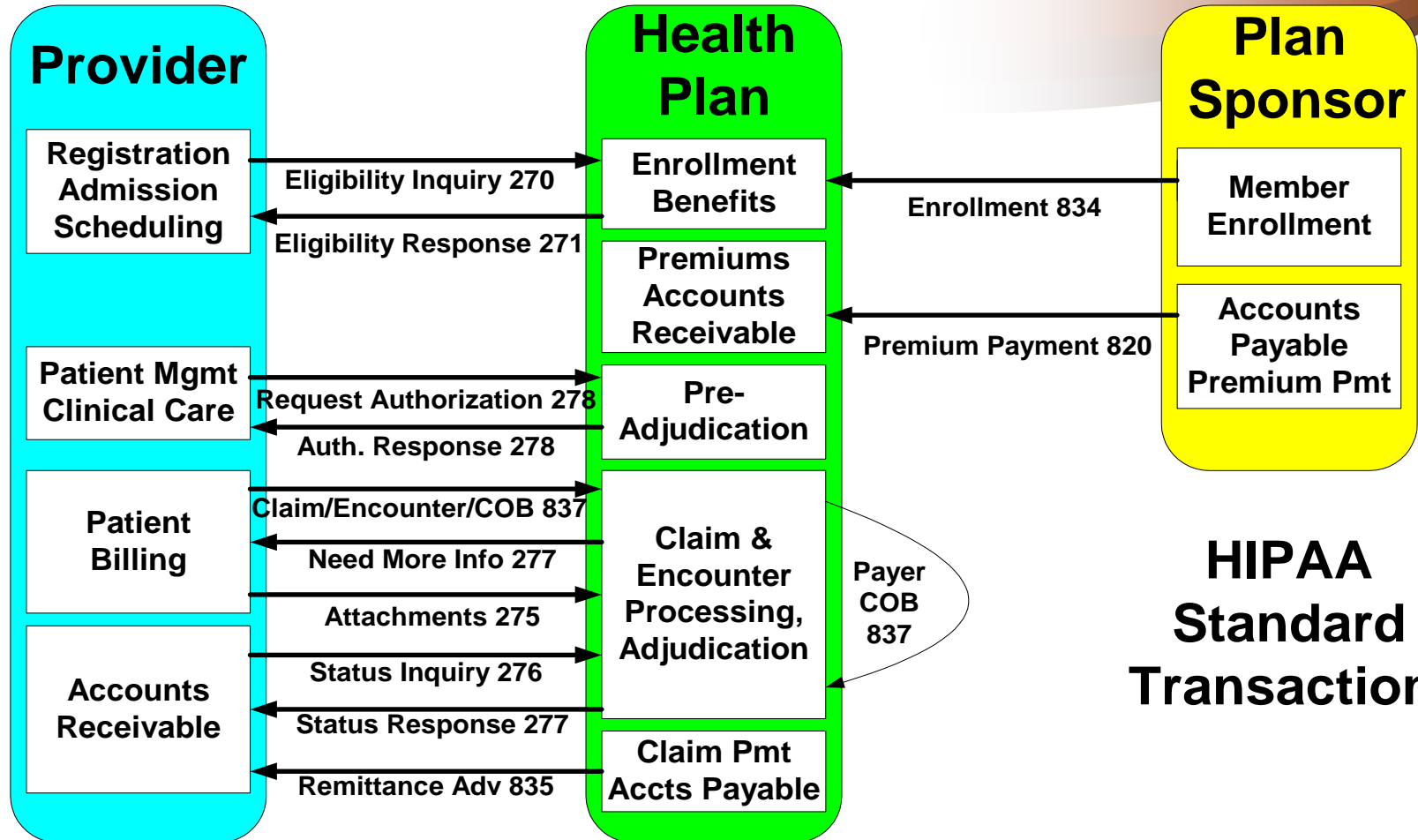
- ***changing code sets***
- ***reporting impacts***

## **PART TWO:**

- **Standard Code Sets**
  - ICD-9-CM
  - CPT4
  - HCPCS
  - Adjustment Reasons
  - Provider Taxonomy
  - etc.

STANDARD EDI

# Data Flow

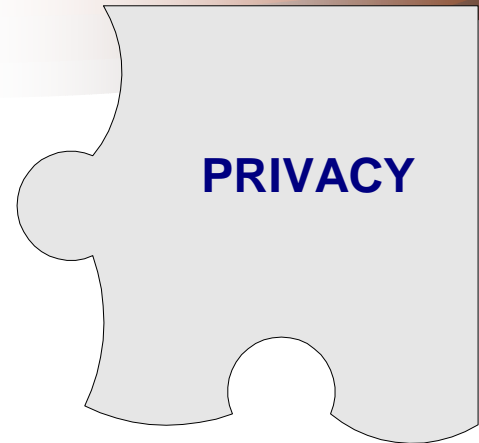


**HIPAA  
Standard  
Transactions**

# *Privacy*

## Major Privacy Components:

- Consumer Control
- Notice of Privacy Practice, Auths
- Minimum Necessary
- Accounting of Disclosures
- Complaints & Sanctions
- Safeguarding Data
- Train Workforce
- Business Associate and Trading Partner Contract Requirements
- Preserve Existing State Privacy Laws

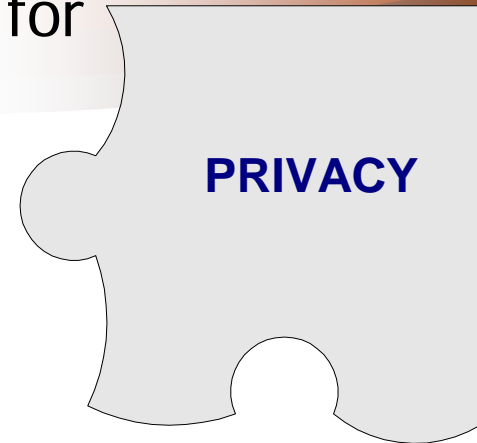


# *HIPAA Privacy vs. Data Practices*

- Matrix On DHS Website, but monitor for final Privacy Rule updates:

<http://www.dhs.state.mn.us/Hipaa/DHSprivacylawsmatrix.pdf>

- Final Privacy Rule Lessens Conflict
- More Stringent Rule Usually Applies
- Examples:
  - Data Practices generally governs for unemancipated minors and worker's comp
  - HIPAA governs for de-identification of private health information (PHI)
  - HIPAA requires documentation for minimum necessary above MN laws



# *Privacy – One Last Time*



## “Final Final” Privacy Rule

- Confirms no patient consent needed to share PHI for TPO
- Business Associates re-contracted by 4/14/2004
- Provide Notice of Privacy Practices
- Limited data set for de-identifying PHI
- Clarifies Use and Disclosure for Marketing
- Clarifies Use and Disclosure for Research

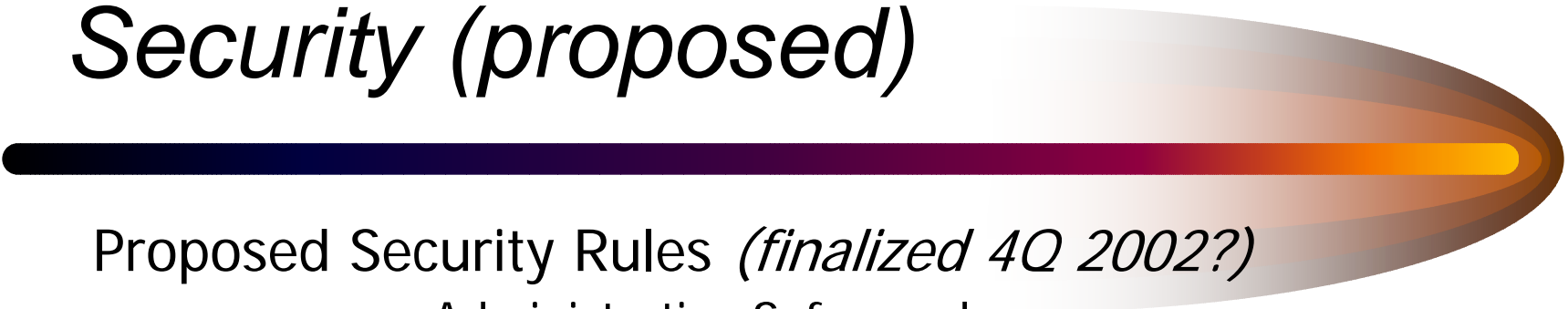
### PRIVACY

Final 12/28/2000

New Prop. 03/27/2002

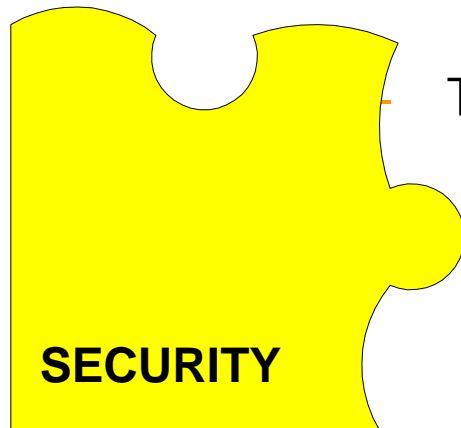
Final Final 08/14/2002

# Security (proposed)



## Proposed Security Rules (*finalized 4Q 2002?*)

- Administrative Safeguards
  - Information Access, Retention
  - Certification, Chain of Trust
  - Audits, Contingencies, Training
- Physical Safeguards
  - Access to files, facilities, media
- Technical Data Security
  - Access & Authentication
  - Laptops & PDAs
  - Virus and Firewall Protections
  - Encryption

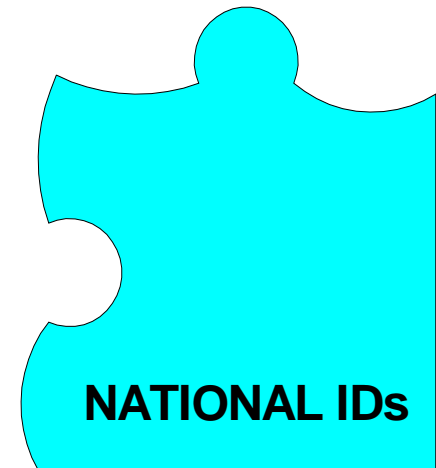


# National Identifiers

1. National Employer ID (*finalized 5/31/02*)
2. National Provider ID (*expected 2002?*)
3. National Health Plan ID (*expected 2002?*)
4. *National Individual ID (don't hold your breath...)*

Issues to watch for and think about:

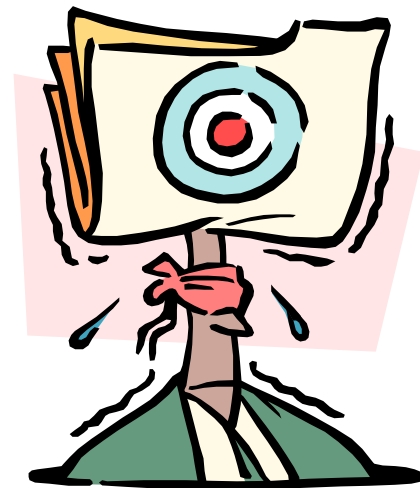
- Field lengths and field types
- Any logic tied to 'intelligent IDs'
- Discontinued Use of Multiple IDs
- Whether/how to convert history



# *HIPAA – the “WHO”*

## Who Has to Comply?

1. Health Plans
2. Health Care Clearinghouses
3. Health Care Providers who transmit any of the standard transactions electronically



# *Defining Your County*



- **Ways to Define County under HIPAA**
  - Entity: Single, Hybrid, Multiple Entities?
  - Public Health Authority? Affiliated entity?
  - Maze of definitions and exclusions to understand
- **Health Plan and/or Health Care Provider**
  - Public Health clearly needs to comply
  - Many SS agencies are 'gray areas'; some MAY BE exempt
  - Worker's Comp, Prison Health – exempt but impacted?
  - Medicaid Waiver seemed exempt, DHHS says must comply
  - Mental Health – covered entity, but no standard transactions?
- **DHS relationship to County Governments**
  - We are Business Associates (administer Medicaid for state)
  - We are Trading Partners (share data for other programs)

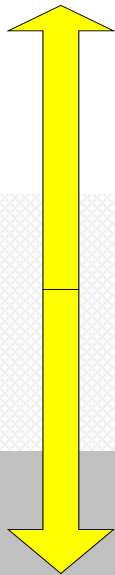
# *HIPAA Impacts for Counties*



Must Comply

- Public Health
- Veterans Services
- E&EA (MA component)
- Social Services
- Community Corrections
- Employer Relations
- “HIPAA-impacted”

Might Want to Comply





# *I Have to, I Don't, I Have to, I Don't...*

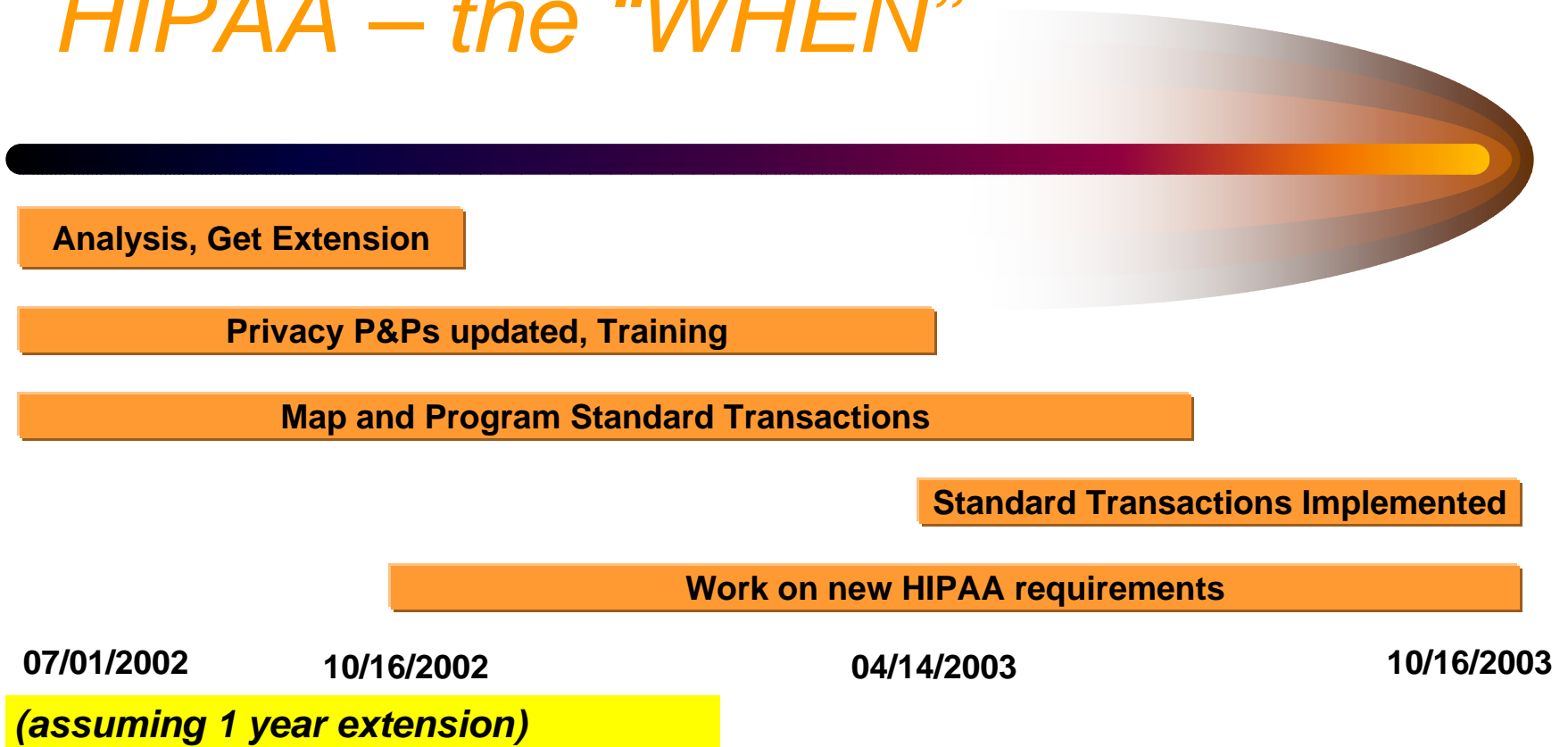
- CMS Paper: Am I A Covered Entity?  
<http://www.mhccm.org/Pages/Toolkit/M215WP1F.doc>
  - Encouraged to investigate benefits of compliance anyway
- Involve your legal counsel, Steering Committee
- States Are Still Discussing Options
  - HIPAA Gives state survey going on currently
  - ASTHO is taking public health HIPAA issues to HHS
  - Counties fit definition of a hybrid entity, but...
    - Some states applying hybrid entity status at agency level
    - Colorado considering making the agency a single covered entity to avoid data sharing and crossing issues.
    - Exempt, but compliance makes sense/easier?
    - I think I'm exempt, but others tell me I'm not...

# *Nobody Can Do It For You*



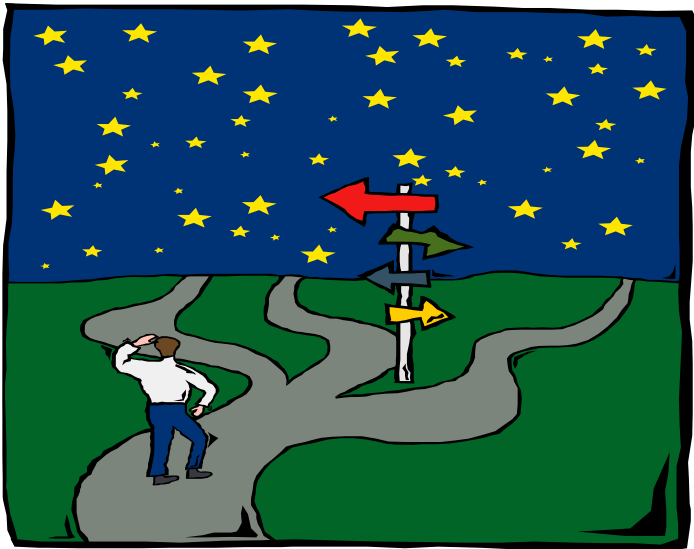
- Read Rules (18,000+ pages and counting...)
- Consult with business and legal counsel
- Step through requirements:
  - Covered Entity? Exclusions?
  - Standard Transactions?
- Does it make sense to comply anyway?
- Study impacts on organization, clients

# HIPAA – the “WHEN”



- Privacy Rule Compliance Completed by 4/14/2003
- Ready to start testing Standard Transactions on 4/16/2003
- Standard Transaction & Code Sets Completed by 10/16/2003

*ARE WE HAVING FUN YET?*



# *HIPAA – the “HOW”*



- Gain “Top Down” Support
- Assign Project Leader
- Apply for One Year Extension
- Raise Organizational Awareness
- Survey County for Health Impact
- Gap Analysis and Project Plan
- Divide to Conquer

# *One Year EDI Extension*



- No extension for Privacy Rules
- Need to be ready to test by 4/16/03
- Complete form online

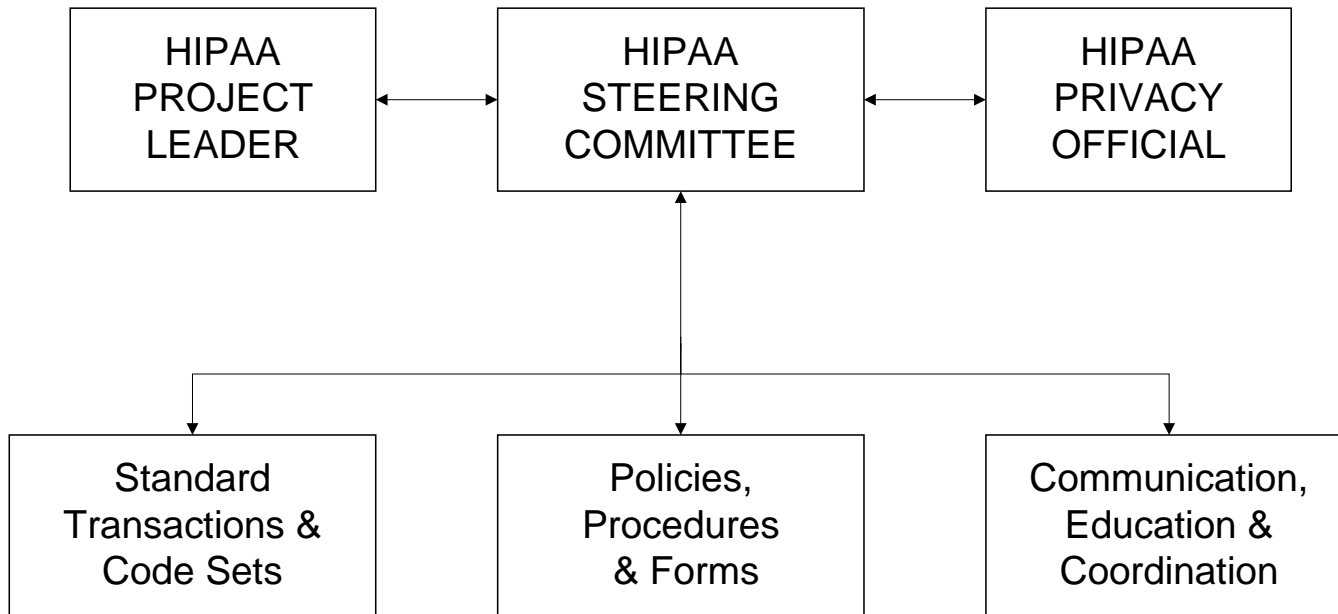
<http://www.cms.hhs.gov/hipaa/hipaa2/ascaform.asp>

- DHS has already submitted extension
- Ultimate responsibility
- Due by 10/16/02 – complete early!

# HIPAA in Dakota County



**WHO's ON FIRST?**



## *HIPAA – the “WHY”*



### Compliance or...

- Civil fines for non-compliance up to \$25,000 per violation/person/year
- Criminal penalties and imprisonment up to \$250,000 and 10 years imprisonment
- Medicare is requiring compliance with transaction standards by 10/16/2003 to receive payment

# THE GOOD NEWS



*(What... there IS some???)*

# GOOD NEWS



- DHS is actively working on HIPAA and committed to helping counties with compliance efforts
- There may be some advantages to waiting this long in the privacy and security areas
- The final Privacy Rule does not require consents for payment, treatment & health care operations

# *MORE GOOD NEWS*



- Through online research and connection to other local and national groups we have:
  - Many P&P templates
  - templates for assorted contracts
  - Technical groups are publishing documents to help map from HCFA 1500, UB92 to 837 (ASPIRE)
  - Sample Survey and Assessment Forms

# Required Reading...



- Washington Publishing (*...the official rules...*)  
[http://www.wpc-edi.com/hipaa/HIPAA\\_40.asp](http://www.wpc-edi.com/hipaa/HIPAA_40.asp)
- CMS (*...who proudly bring you HIPAA...*)  
<http://www.cms.hhs.gov/hipaa/>
- MN DHS (*... HIPAA in Minnesota...*)  
<http://www.cms.hhs.gov/hipaa/>
- WEDI-SNIP (*... your source for everything HIPAA...*)  
<http://snip.wedi.org/>
- HIPAA Gives (*... HIPAA for States and Counties...*)  
<http://www.hipaagives.org/>

# *No Time to Be Original...*



- Other State Govt. Sites to Check Out:

*Connecticut*

*Hawaii*

*New York*

*Ohio*

*Oregon*


*Wisconsin*

- If you still can't get enough, check out:

*AHIMA, AFEHCT, ASTHO, ASPIRE,*

*HIPAAAdvisory, MHCCM, MHDI, etc.*

- Warning: Beware of false 'health expertise'



***The End***  
***(not!)***