




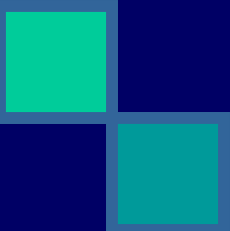

# AFEHCT

## Association for Electronic Health Care Transactions

- Membership: Payers, Providers, Clearinghouses
  - The Only Association with a Lobbyist for Your Interests
  - White Papers for HIPAA
    - Communication and Awareness
    - Sequencing
    - Testing
    - Contract Language
    - Business Front-End Edits
  - Joint agreement with WEDI (ex: Security Interoperability Pilot, SNIP)
  - ASPIRE – Administrative Simplification Print Image Research Effort
- 



## AFEHCT (cont.)

- White House Meeting – Sept. 2000, with Chris Jennings, Domestic Policy Advisor for Healthcare
  - AFEHCT asked to work with the transition team post-election
  - Feb. 2001 – AFEHCT Annual Washington Policy Forum
    - Peter Swire – Chief Privacy Officer for the White House
    - Average attendance is 300
    - HCFA, DHHS, Congressional staff are present and participate
- 
- 



# AFEHCT Contact



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**MediFAX Case Study:**  
*A Clearinghouse Tackles HIPAA*



Miriam J. Paramore  
President, PCI: e-commerce for healthcare  
AFEHCT Recording Secretary  
Co-Author AFEHCT HIPAA Communications WP

# *The Potomac Group, Inc.*

## Business Segment

## Services

## Customers



**MediFAX®**

- Real-time eligibility verification and EDI services
- Medical claims processing (HCFA1500, UB92)

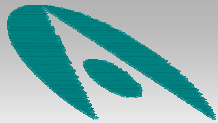
- Health care providers (Hospitals, physicians, labs, clinics, etc)



**COMCOTEC**  
Pharmacy Information Processing Solutions

- Claims processing
- Data management
- Benefits administration

- Payers of pharmacy benefits



**A F O L L O**

- Billing and reconciliation
- Claims management
- Remittance management

- Retail drug chains



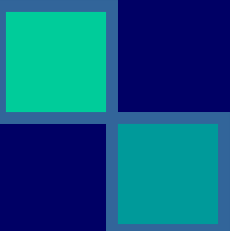

**PROCLAIM**  
ASSET MANAGEMENT SERVICES

- Part B DMEPOS Supplies
- Part B DMERC Claims processing for Regions A, B, C, and D

- Long term care facilities

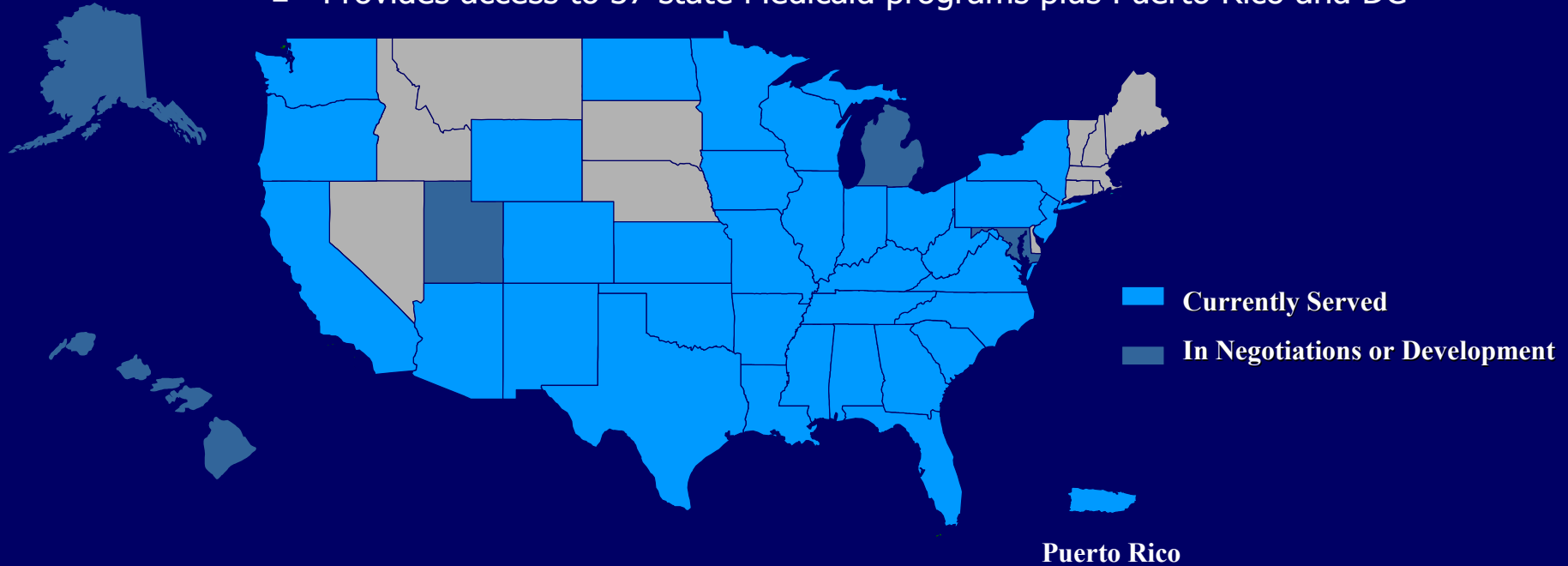


# MediFAX Facts

- 
- 16 Years in business
  - 33,000 Facilities
  - 103,000+ Physicians / Providers (sites)
  - 7.5 Million transactions per month
  - Headquartered in Nashville, TN
- 

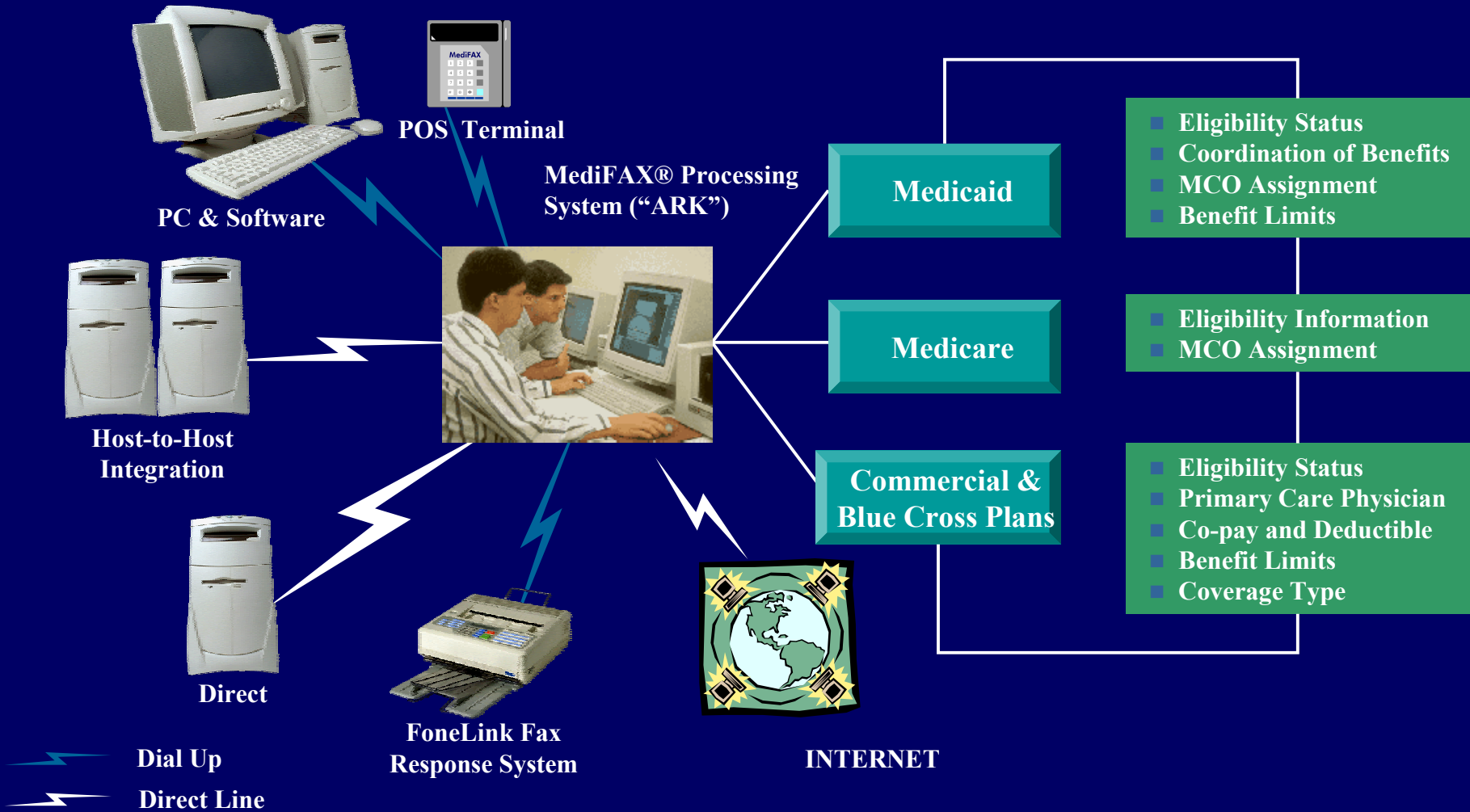
# MediFAX<sup>®</sup> Payor Connections

- Provides access to 37 state Medicaid programs plus Puerto Rico and DC



- Access offered to 100+ commercial payor databases
- 9 Medicare FI's
- Medicare Part A nationwide, Part B regionally

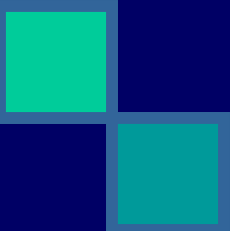

# Multiple Products to Meet Customer Needs





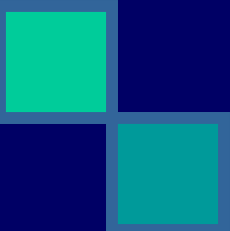



# MediFAX<sup>®</sup> Systems

- 
- MediFAX<sup>®</sup> POS
  - MediFAX<sup>®</sup> pc+
  - MediFAX<sup>®</sup> Integrated Systems
    - MediFAX Direct--LAN
    - Custom Host-to-Host Interfaces
    - HIS vendor integration
  - MediFAX<sup>®</sup> NetDirect
  - FoneLink Fax (Note: No longer exempt.)
- 



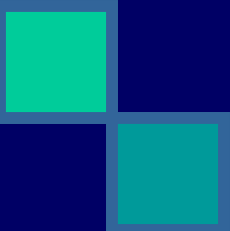
# Approach to HIPAA Compliance


- 
- Proactive self-education
  - Active participation in industry trade groups (AFEHCT, WEDI, HFMA, AHA, and state-level associations)
  - Acquired translation tools to aid implementation
  - Executive management included early in the process
  - Outside consultants brought in to give independent gap analysis and sanity check
- 



# “Outside-In” Approach to Security

(Pre-HIPAA Work)

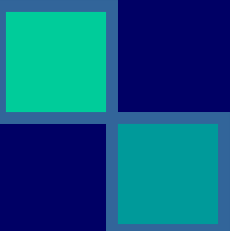

- 
1. Insurance
  2. Continuity Plan
  3. Legal Protection
  4. Physical security
  5. External product security
  6. Internal corporate security



*This approach and their existing security infrastructure gives MediFAX an excellent starting point for HIPAA compliance.*



# HIPAA Assessment

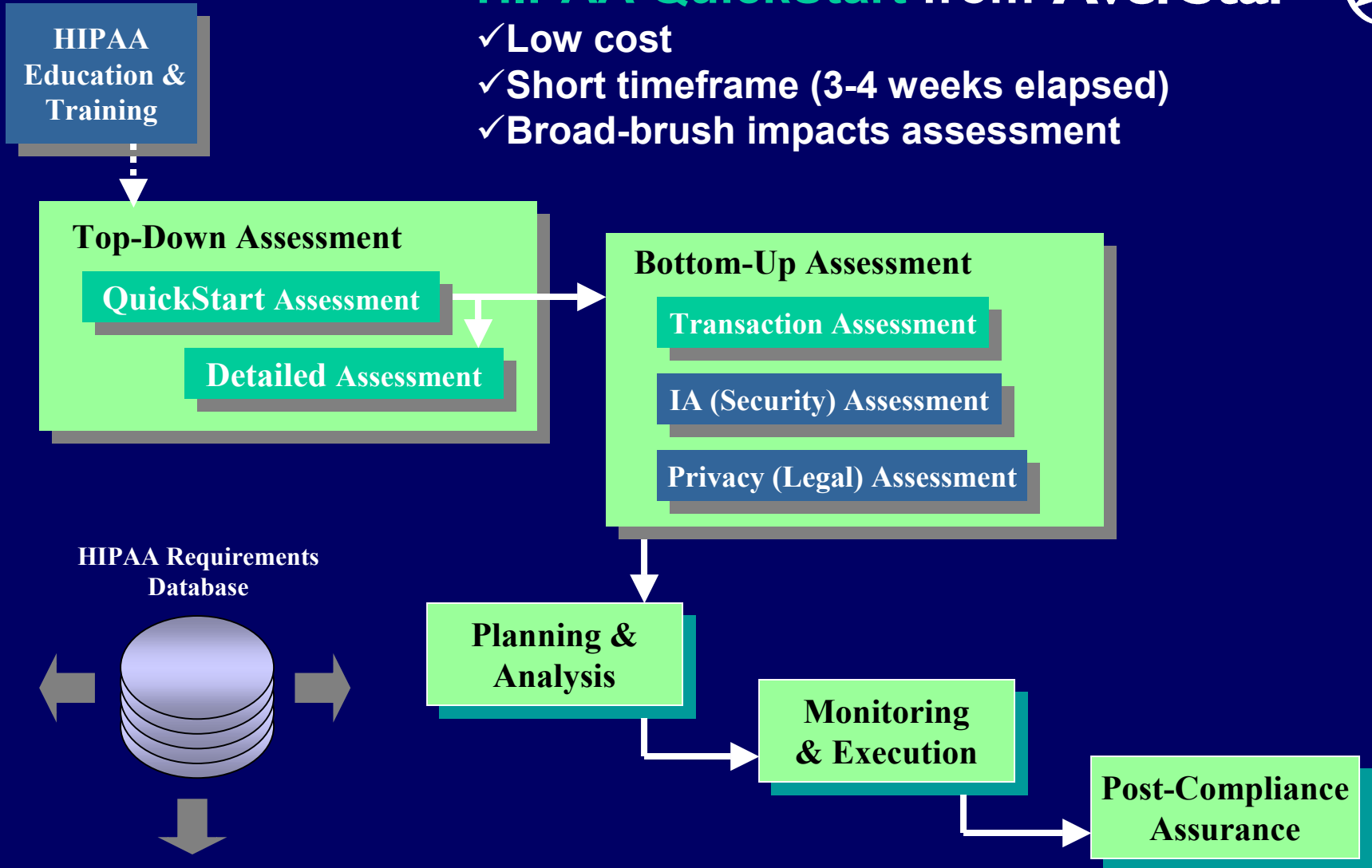
- 
- Strategic Understanding/Definitions
    - Who are we?
    - Who are our customers?
    - How do we position ourselves?
  - Business Process, Policy and Procedure Review
  - Information Flow Analysis – Where is PHI?
    - Outside organizational walls
    - Inside organizational wall
    - What is an organization wall in a virtual world?
- 

# Analytical Process

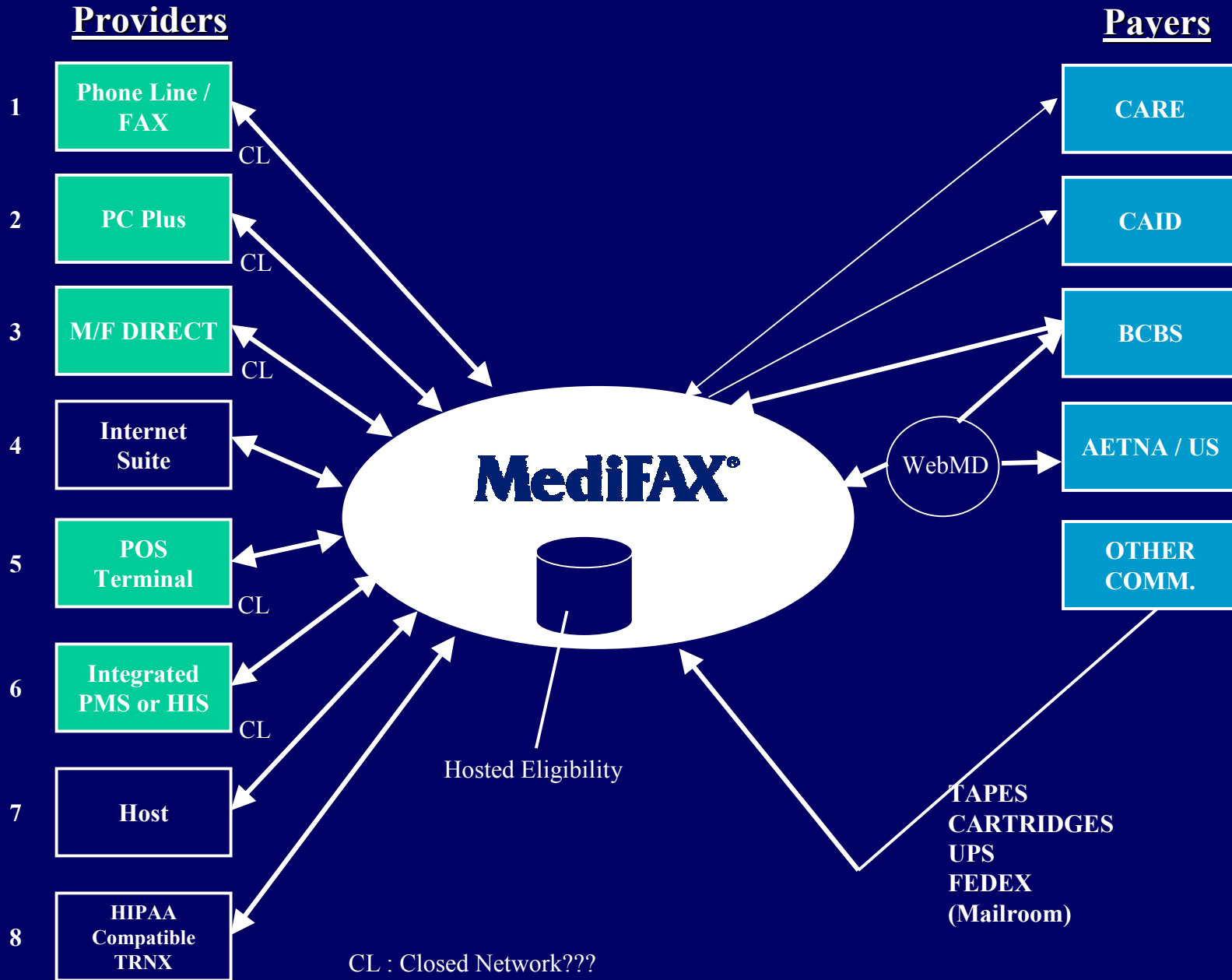
## HIPAA QuickStart from AverStar



- ✓ Low cost
- ✓ Short timeframe (3-4 weeks elapsed)
- ✓ Broad-brush impacts assessment

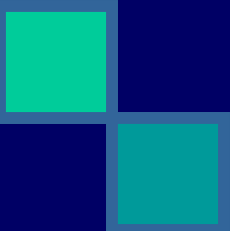


# A POS by Any Other Name...






# Definition of Clearinghouse




*"Health care clearinghouse means a public or private entity that does either of the following (Entities, including but not limited to, billing services, repricing companies, community health management information systems or community health information systems, and "value-added" networks and switches are health care clearinghouses for purposes of this subchapter if they perform these functions.):*

- 
- (1) Processes or facilitates the processing of information received from another entity in a nonstandard format or containing nonstandard data content into standard data elements or a standard transaction.
  - (2) Receives a standard transaction from another entity and processes or facilitates the processing of information into nonstandard format or nonstandard data content for a receiving entity."



## §162.1201 Eligibility for a health plan transaction.

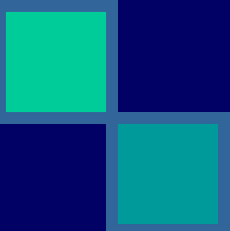
The eligibility for a health plan transaction is the transmission of either of the following:

- (a) An inquiry *from a health care provider to a health plan, or from one health plan to another health plan*, to obtain any of the following information about a benefit plan for an enrollee:
    - (1) Eligibility to receive health care under the health plan.
    - (2) Coverage of health care under the health plan.
    - (3) Benefits associated with the benefit plan.
  - (b) A response *from a health plan to a health care provider's (or another health plan's)* inquiry described in paragraph (a) of this section.
- 






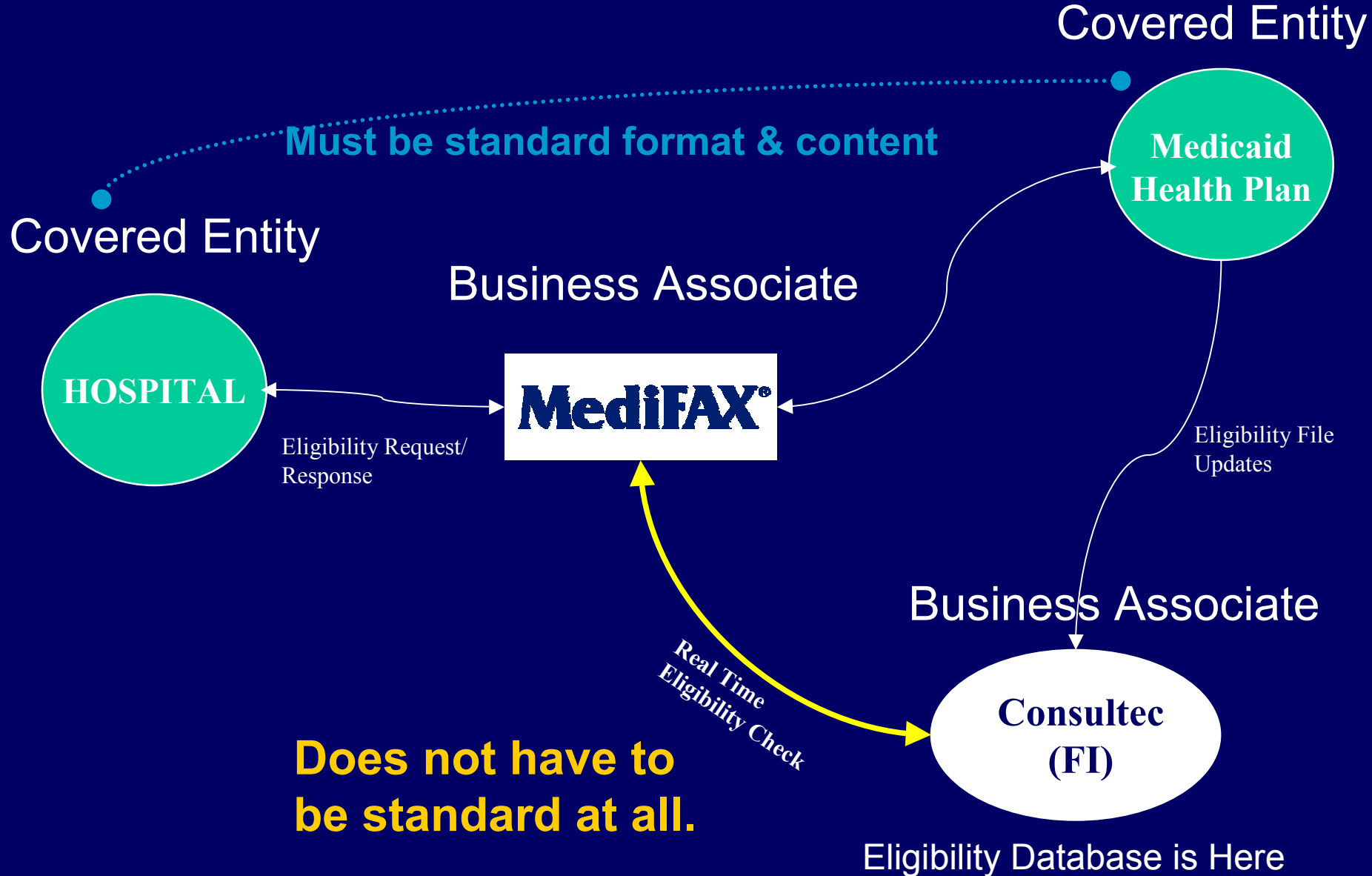
## An Example from the Preamble...



“ The definition for the eligibility for a health plan transaction is an inquiry from a health care provider to a health plan, or from one health plan to another health plan, to determine the eligibility, coverage, or benefits associated with a health plan for a subscriber. In this case, the inquiry is from one business associate of that health plan to another business associate of that same health plan. Therefore, the inquiry does not meet the definition of an eligibility for a health plan transaction, and is not required to be conducted as a standard transaction.”




# Who Am I and Who Are You?





# Highlights of Findings

(Note: QuickStart still in process)

- Virtually all MediFAX business functions are impacted
  - Not all interfaces and information flows require transaction standards
  - User authentication is an issue and will require input from Medicaid to resolve
  - Existing security meets approximately 1/3 of the security requirements
  - Documentation of policy and procedure is weakest point so far
- 



# The Silver Lining

- 
- New Business Opportunities
    - Expanded EDI transaction sets
    - ANSI translation to enable customers
    - ID cross-walks
  - Forces a look at strategic planning with a HIPAA landscape in mind 5 years out
  - Opportunity for a Customer Communication program to further relationship and introduce new services
  - Enhances likelihood of long-term success in step with changing industry requirements
- 

# Empowering Their Team


with Tools, Knowledge and Resources

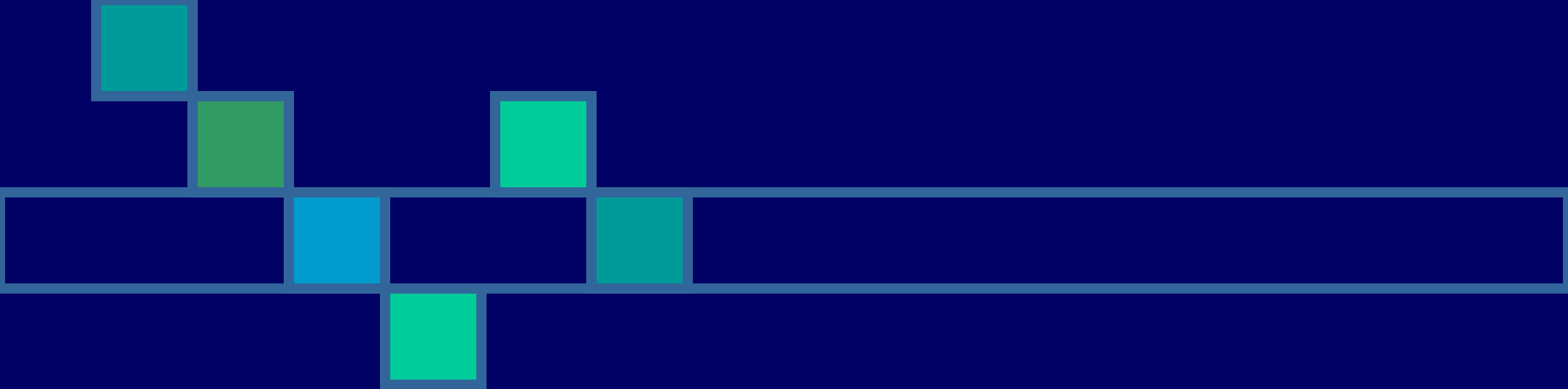
- ANSI X12 Training
- Transaction-specific Training
- Implementation Guide Help
- Proactive Budgeting for CY 2001
- Cross-functional Task Force





# Critical Things MediFAX is Doing Right

- Strong executive sponsor
  - Cross-functional HIPAA Task Force
  - Positive approach – Opportunity for themselves and their customers
  - Action-oriented vs. avoidance
  - Investing in their people – training, tools
  - Proactive communication with customers
- 



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**Thank you for your attention!**