



How Will HIPAA Impact Strategic Planning and Marketing Efforts?

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Why Is HIPAA Important for Planning and Marketing?

Inpatient and outpatient utilization data is used by health care organizations for:

- Quality improvement
- Cost reduction initiatives
- Patient health management
- Capacity planning
- Competitive assessment





Why Is HIPAA Important for Planning and Marketing?

HIPAA Regulations Offer Potential

- Benefits:
 - Administrative cost reduction
 - Patient privacy protections
 - Standardized databases for quality improvement and business planning
- Penalties:
 - Restrictions on patient information may impede delivery and improvement of care!





Questions for Discussion

- Does HIPAA improve health care clinical and business information?
- What is HIPAA's impact on CQI, business and operational planning?
- How should relationship marketing programs change to comply with HIPAA?





Excerpts from Legislation and Proposed Rules

- Health Insurance Portability and Accountability Act of 1996—(HIPAA)
- Title II, Subtitle F: Administrative Simplification
- Original objectives:
 - Improve efficiency and effectiveness of U. S. health care system by standardizing Electronic Data Interchange (EDI) of certain administrative and financial transactions
 - Protect security and privacy of transmitted information





The Privacy Provision

- *Covered entities cannot use individually identifiable health information without consent for purposes other than treatment, operations, or payment*
- Specific prohibitions against marketing
- Individual rights
- “Minimum necessary”
- 19 individual identification data elements





The Security Provision

- Administrative
- Network
- Physical
- Technical





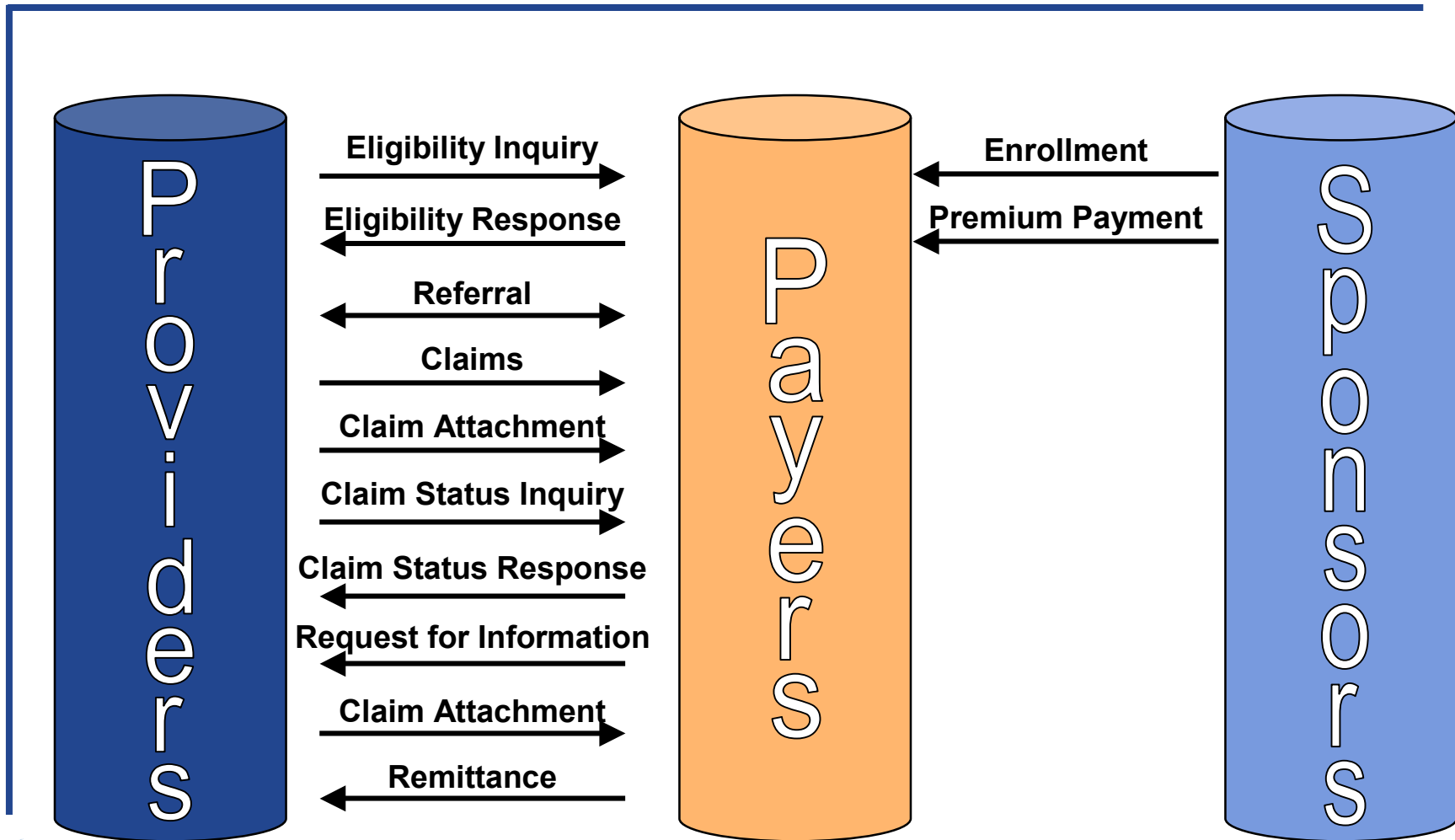
HIPAA Transactions

- Electronic transactions only
- Covered entities:
 - Providers
 - Health plans and insurers
 - Employers
 - Claims clearinghouses, translators, and billing agents
- Transaction standards are primarily format definitions, not content
- Providers are not required to output standard transactions





HIPAA Transactions





HIPAA Identifiers

- Employer:
 - IRS' Employer Identification Number (EIN)
- Health Plan:
 - Specifics still in drafting stage
 - Expected to be based on HCFA's PAYERID proposal of mid-1990's





HIPAA Identifiers

- Provider:
 - 10 position all numeric
 - Completely replaces UPIN and PIN
 - Requires establishment of National Provider Identification System (NPS)
 - Significant conversion and transition efforts for industry





HIPAA Identifiers

- Individual:
 - Emotionally controversial
 - Alternative may be Master Person Identifier (MPI) Mediation
 - Potential for significant conversion and transition efforts for industry
 - On hold pending privacy legislation and/or regulations





HIPAA Code Sets

- Diagnoses:
 - Initially ICD-9-CM, converting to ICD-10 in the future
- Procedures:
 - Physician services—CPT4 (AMA License)
 - Inpatient services—initially ICD-9-CM, converting to ICD-10 in the future
 - Other services—HCPCS, without “J” and local codes
 - Drugs—NDC
 - Other items—HCPCS





HIPAA Code Sets

- Others...defined by:
 - Data content committees
 - Implementation guides
 - Standards
 - External code sources (examples below)
 - Claim adjustment and reason codes
 - LOINC
 - Postal service





Current Status of Regulations

- ☑ Transaction/code sets—final rule, 8/17/2000
- ? National Provider Identifier—Provisional Rule, 5/7/1998, no expected date for final rule
- ? National Employer Identifier—Provisional Rule, 6/16/1998, no expected date for final rule
- ? Security—Provisional Rule, 8/12/1998, no expected date for final rule
- ? Privacy—Provisional Rule, 11/3/1999, no official expected date for final rule, but believed to be Q4 2000





Current Status of Regulations

- ? No provisional rules for:
- National Health Plan Identifier
 - Claims attachments
 - Enforcement
 - National Individual Identifier





Does HIPAA Improve Health Care Clinical and Business Information?

- Most code sets and identifiers absent
- Most rules far behind schedule
- No enforcement of transaction standards at provider site or point of care
- “Other” code sets (e.g., site of care) not explicitly handled
- Possible transaction processing, not decision support, benefits from transaction and code set standards





What Is HIPAA's Impact on CQI, Business and Operational Planning?

- Evidence-based medicine relies on objective, comparative norms and benchmarks
- Healthcare business planning relies on representative reference databases for demand and capacity analyses
- Operational planning relies on comparative data to identify areas for process improvement initiatives

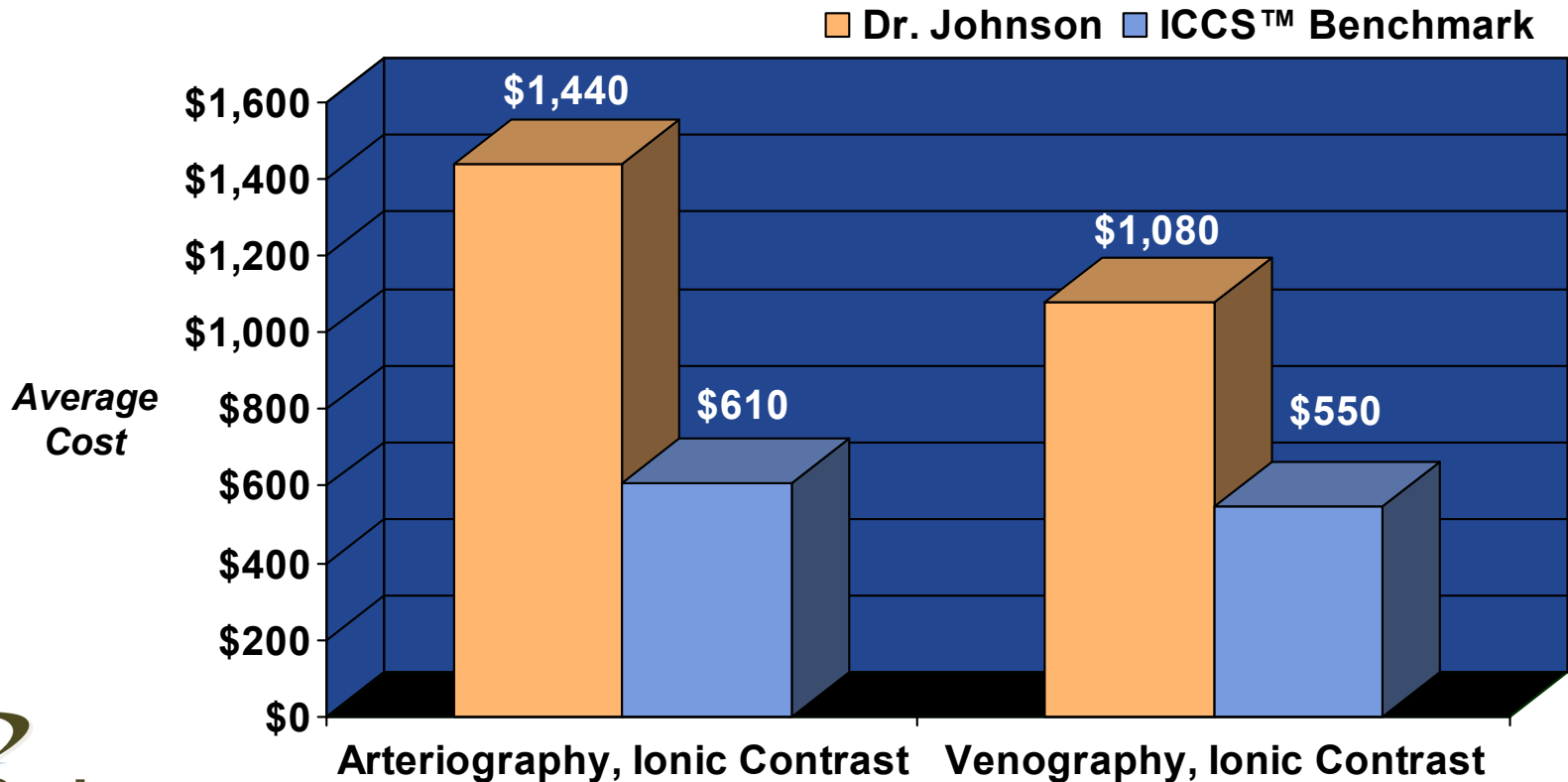
HIPAA Privacy Rules Threaten These Practices!





Example—Evidence-Based Medicine Requires Norms and Benchmarks

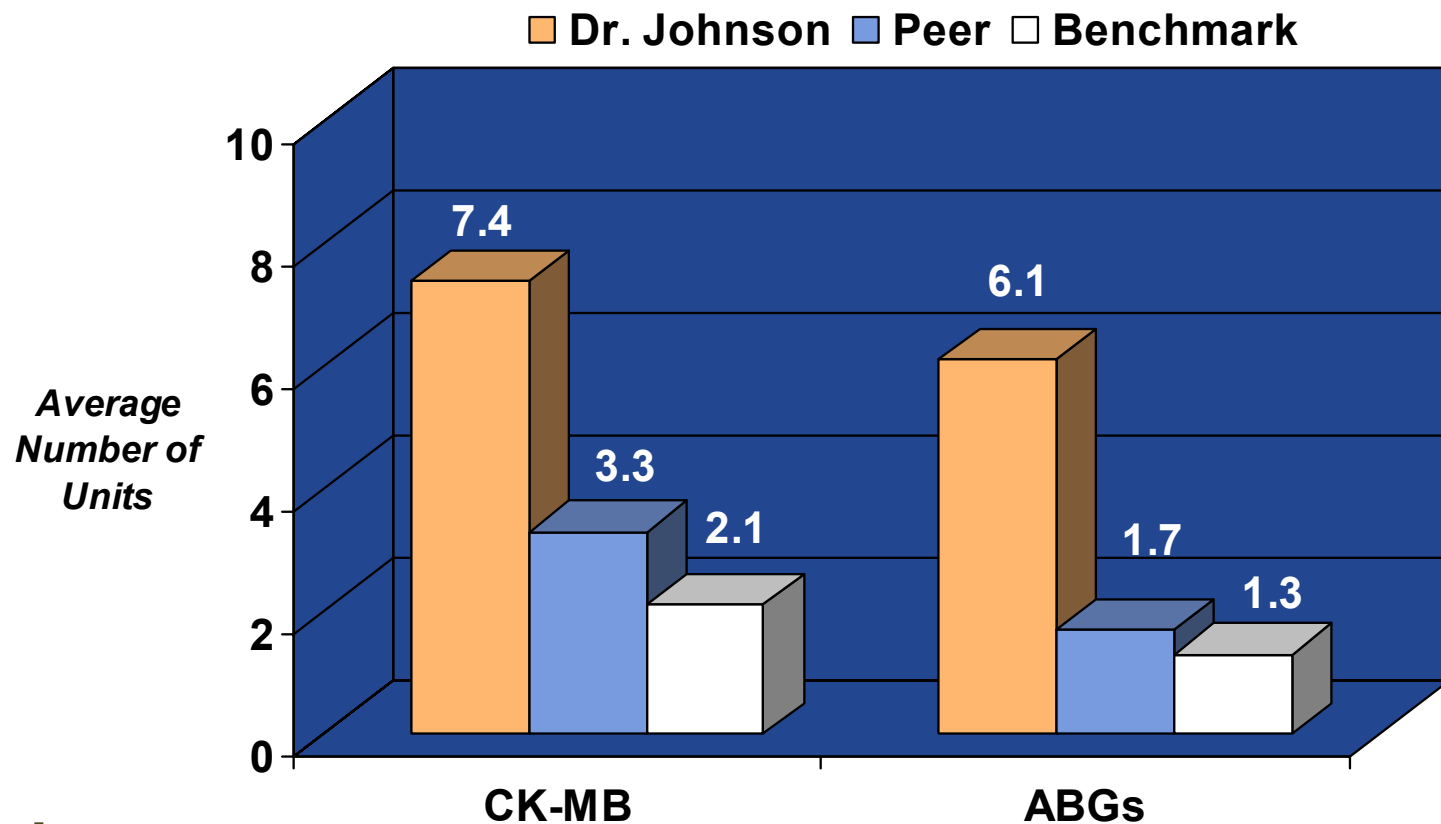
Principal Procedure—Coronary Angioplasty
Principal Diagnosis—AMI





Example: Evidence-Based Medicine Requires Norms and Benchmarks

Principal Procedure—Coronary Angioplasty
Principal Diagnosis—AMI





Primary Issues

- Authorization and Disclosure—The privacy rules imply that data used for other than “treatment, payment or health care operations” can be disclosed to third-parties only with patient authorization. This could create “gaps” and bias in reference databases of unknown magnitude
- Identifiable Data—The privacy regulations list a number of data elements considered identifiable, e.g., patient address, date of birth, and social security number. It is unclear how these data elements should be concealed or suppressed, and in what combination, to assure that data is “de-identified”





Recommendations

- Encounter and transaction detail is needed for flexible aggregation of healthcare information
- Relevant benchmarks and comparative norms require comprehensive and representative databases
- De-identified information is insufficient for many purposes
- “Business Partner” organizations should be repositories for identifiable health information and should guarantee patient privacy when data is aggregated and reported





How Should Relationship Marketing Programs Change to Comply with HIPAA?

- Proposed privacy regulations place severe restrictions on use of protected health information for “marketing” purposes without patient consent
- Are these patient contacts “marketing”?
 - Offer of free colorectal screen for patient on 50th birthday?
 - Fund raising solicitation of former patients by hospitals?
 - Patient satisfaction survey interview?
- Patient consent is essential, regardless of HIPAA!





Get Consent Now— It Benefits Everyone!

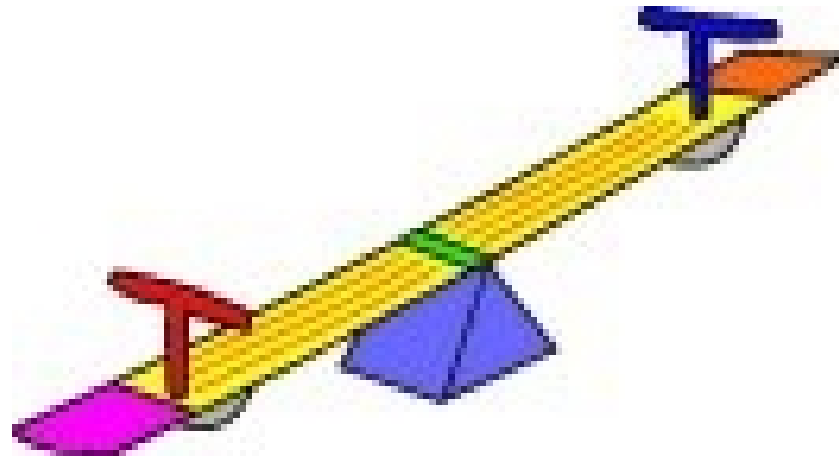
- Consent is here to stay
- Be first to market
- Shape the conventions
- Too many valuable activities require consent





The Issue

- **Disease Treatment**
- **Health Management**
- **Personalization**



- **Consumer Privacy**





How Patients *Really* Feel About Releasing Information

- Nearly 84% of patients feel it is acceptable for their physician or hospital to use their medical record information for disease treatment or prevention programs
- Only 16% feel it is unacceptable to release information under any circumstances

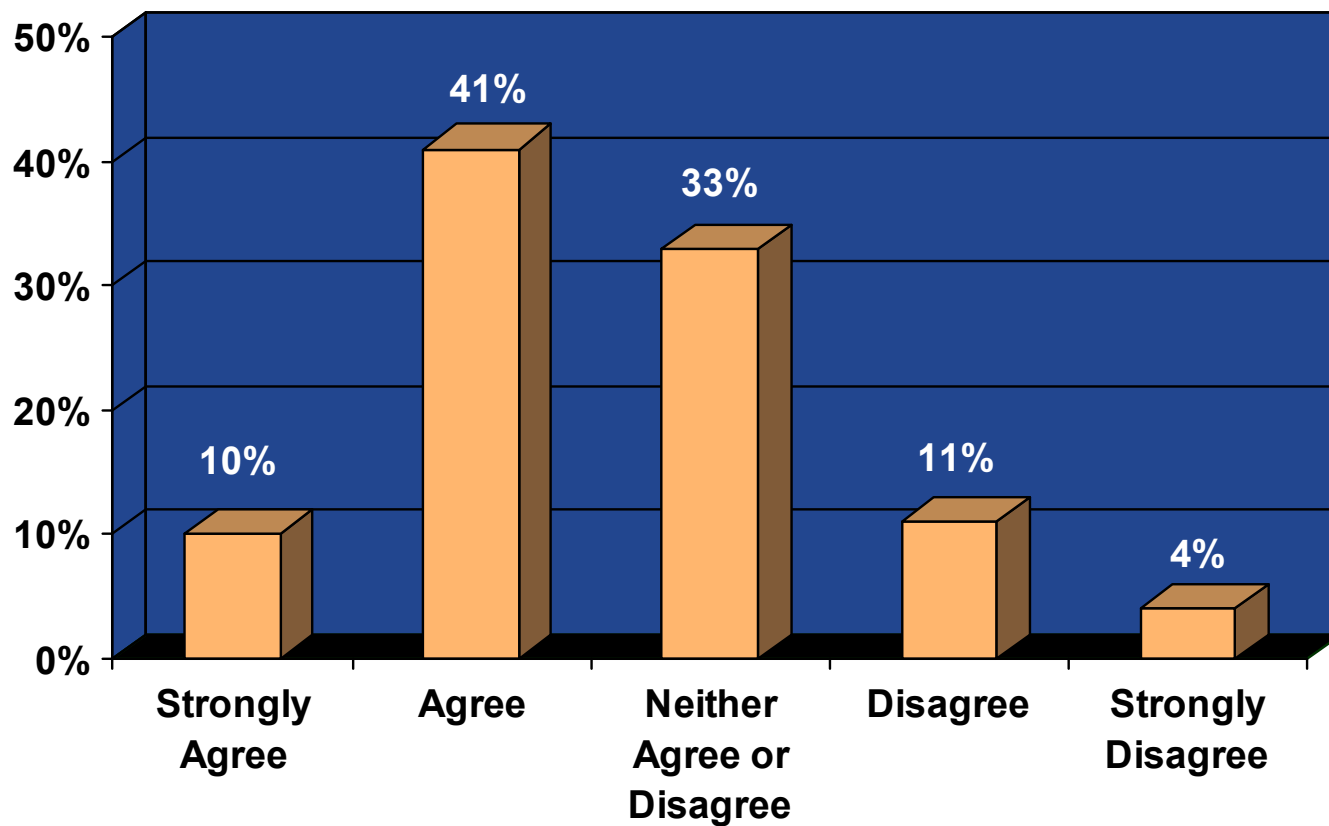


Source: Sachs/Scarborough HealthPus™ 2000



Consumers Are Willing to Share in Exchange for Value

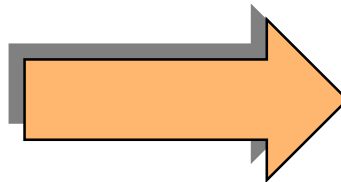
Percent Willing to Give Personal Information to Receive Personalized Online Experience



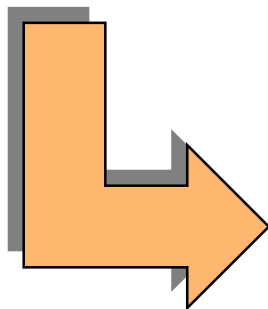


Today

Developing
Permission-Based
Relationships



- Getting consent



- Getting consumers to initiate a dialogue with you
- Getting lifestyle and decision making information
- Getting consumers to engage with you
- Getting consumers to choose you
- Getting customers to say nice things about you
- Getting customers to recruit new customers for you





What Are Providers Doing Today?

Practices	Ranking
Created a committee to study, and supervise the development and execution of plans	1st
Discussed legal liability and risk management issues with legal representatives	2nd
Made changes to the Master Customer File or removed sensitive information	2nd
Restricted who has access to patient information	2nd
Reviewed existing policies through the organization	3rd
Trained employees on organizational policies and procedures for safeguarding information	4th
Engaged consultants to help key departments, including marketing, to plan and organize a plan-of-action	5th
Established privacy policy and guidelines	5th
Gave patients notice about the use of their health information	5th
Changed patient consent forms	6th
Removed personal identifiers from disclosed information	6th





Levels of Customer Collaboration





Get Consent—There Are Too Many Valuable Activities That May Require It

T

- Send quarterly calendars to a prospect list

?

- Send quarterly calendars to people who called your call center

?

- Send offer for heart risk screening to customers and prospects who are ages 35-64

F

- Send offer for heart risk screening to customers who have risk factors for heart disease from their doctor





Get Consent—There Are Too Many Valuable Activities That May Require It

F

- Send offer for heart risk screening to customers who have risk factors for heart disease—addressed to “Dear Friend”

T

- Send thank you notes or letters of congratulations to past patients

?

- Send information about new mother support groups to recent obstetric customers

?

- Send outbound postcard to past customers asking if they would like to receive information

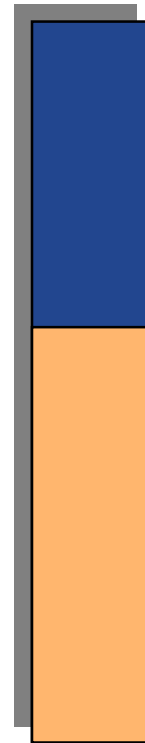




Compliance and Common Sense

- Source of names
- Selection criteria for names
- Content

- Specificity of offer
- Salutation
- Signature



Compliance

Common Sense





Key Elements of Consent

- Information to be used
- Purpose
- Compensation
- Impact on care or payment
- Patient receives copy of disclosed information
- Patient receives signed copy of form
- Consent expiration
- Patient revocation





Asking Consent From Customers Requires A Partnership Between Your Marketing and Legal Teams

Consent Forms Should Be:

- Easy to understand
- State consumer benefit
- Non-threatening
- HIPAA compliant





Example of Opt-In Consent

- I consent to the Hospital's release of medical record information to its authorized agents and employees for the purpose of allowing the Hospital and its affiliated entities to advertise, fund raise, and plan health care activities. I understand that the Hospital's authorized agents and employees will maintain the confidentiality of my medical record information in accordance with this consent. Information compiled for the treatment of drug or alcohol counseling, the Human Immunodeficiency Virus (HIV/AIDS) or mental health care will not be released for the purposes described in this section.



Note: This form is not endorsed by HCIA-Sachs.
Source: MedStar Health System



Example of Opt-Out Consent

I consent to the Hospital's release of medical record information to its authorized agents and employees for the purpose of allowing the Hospital and its affiliated entities to advertise and plan its health care activities. I understand that the Hospital's authorized agents and employees will maintain the confidentiality of my medical record information in accordance with this consent. Information compiled for the treatment of drug or alcohol counseling, the Human Immunodeficiency Virus (HIV/AIDS) or mental health care will not be released for the purposes described in this section.

- Please indicate if you do not want your medical record information disclosed to the Hospital's authorized agents and employees to advertise and plan its health care activities:

I also authorize the release of information to the TeleHealth Center which is affiliated with the hospital and routinely contacts patients by telephone after discharge to follow-up on treatment provided.



Note: This form is not endorsed by HCIA-Sachs.
Source: MedStar Health System



Emphasize the Benefits

- “As a valued customer...”
- “To notify you and your family about screenings and educational programs”
- “To provide you with relevant health information”
- “Also for fundraising, planning, and marketing activities so that “Community Hospital” can continue to serve the community to the fullest extent”





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