

1996-2008 – The Twelve Year Journey is Not Over



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- Business process consultant focusing on electronic health records, and electronic transactions between organizations
 - Former positions with MGMA, University of Denver, Dartmouth College
 - Active leader in the Workgroup for Electronic Data Interchange (WEDI)
 - Speaker and author (two books on HIPAA Security and one on electronic health records)
 - Recipient of the HIMSS 2006 Book of the Year Award
 - Recipient of Vision and Leadership Award as WEDI Chairman, WEDI Corporate Leadership Award, and WEDI Distinguished Service Awards
 - Consultant to CAQH CORE Project
 - HIPAA Expert Witness
- Strategic IT business process planning
 - ROI/benefits realization
 - Project management and oversight
 - Workflow redesign
 - Education and training
 - Vendor selection and enhanced use of vendor products
 - Facilitate collaborations among organizations to share/exchange health care information
 - EHR and RHIO training and facilitation

Agenda

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1. Fines are the small stuff
2. HIPAA Transactions and Code Sets
3. The future: 2009-2014

1. Fines are the Small Stuff: Transactions

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- **For providers:**
 - No payment or delayed payment
 - Remediation cost including legal, IT, and consultants
- **For health plans:**
 - Loss of key network providers
 - Complaints to State Insurance Commissioners for lack of timely payment for clean claims
 - Remediation – legal, IT, and consultants
- **For clearinghouses**
 - Loss of customers and revenue

1. Fines are the Small Stuff:

Case 1. Providence Health & Services

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- Five security and privacy incidents between September 2005 and March 2006
- 386,000 patient electronic records stolen
- In 2008, OCR fined Providence \$100,000
- Corrective action plan
(hhs.gov/ocr/privacy/enforcement/agreement.pdf)

1. Fines are the Small Stuff:

Case 1. Providence Health & Services

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- Potential state fines (four states)
- Internal remediation
- Replace fired staff
- ID theft repair service for one year for 386,000 patients
- Consultants and lawyer fees to audit, support remediation and provide legal counsel
- Repair public reputation

1. Fines are the Small Stuff: Case 2. Olson vs. ASEA/AFSCME Local 52 Health Benefits Trust

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- July awarded \$275,000 to Olson
- Legal costs exceeded \$1.6 M
- Key documents relied on for expert testimony
 - The written duties and responsibilities of Trustees document which they signed when they become trustees(<http://www.asaehealth.org/servlet/content/130.html>)
 - Trust policy on privacy (<http://www.asaehealth.org/servlet/content/1131.html>)

2. HIPAA Transactions and Code Sets

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- 1991: HHS Secretary Sullivan forms WEDI to study cost savings from EDI
- 1992 and 1993: WEDI completes WEDI reports recommending use of EDI standards and law requiring use
- 1996: HIPAA legislation becomes law
- 1998: Transaction and Code Sets NPRM published
- 2003: Use of HIPAA Standard Transactions and Code Sets required for all electronic standard transactions
- 2003: ASCA legislation requires most Medicare claims be filed electronically using the HIPAA standard

2. HIPAA Transactions and Code Sets

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- 2004: Standard Employer Identifier use required
- 2006: CORE Phase I Rules approved for eligibility electronic transactions (www.caqh.org)
- 2008: National Provider Identifier (NPI) use required for electronic transactions
- 2008: CORE Phase II Rules approved for eligibility and claim status inquiry transactions

3. The Future: 2009-2014

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- **Future expectations**
 - 2008 HIPAA 2 Transactions and Code Sets NPRM
 - 2008 ICD 10 NPRM
 - 2012-2014 use of 5010 ACS X12 and the following NCPDP transactions:
 - ✦ Telecommunication Standard Implementation Guide V D.0
 - ✦ Batch Standard Implementation Guide Version 1.2
 - ✦ Medicaid Subrogation Standard Implementation Guide V 3.0
 - 2009-2014 may require use of electronic claims attachment transaction standard

3. 2010 or so: Business Use Cases Drive all New Transactions and Code Sets

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- Most transactions in real time, except for claims and remittance advice
- Auto adjudication of claims?
- Convergence of administrative and clinical information electronic exchanges
- Move from transcription-based standards to information exchange standards
- Industry moves from “compliance” to a revenue cycle improvement approach for information exchange

3. Incentives to Adopt Revenue Cycle Management Approach

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- **Voter/congressional pressure on Medicare Part B premium increases**
- **Global healthcare competition**
 - Prescription and nonprescription drug imports
 - Non-life threatening surgery
 - Distance diagnostic testing
- **Consumer transparency**
- **Medical banking**
- **Global economy**
- **Politics**

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