The New England Approach to HIPAA

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Three part approach

- Administrative Simplification
- Security/Confidentiality
- Education



Our Innovative Approach - NEHEN

The New England Healthcare EDI Network (NEHEN) is a consortium of regional payers and providers who have designed and implemented a secure and innovative electronic-commerce solution for reducing administrative costs in healthcare.

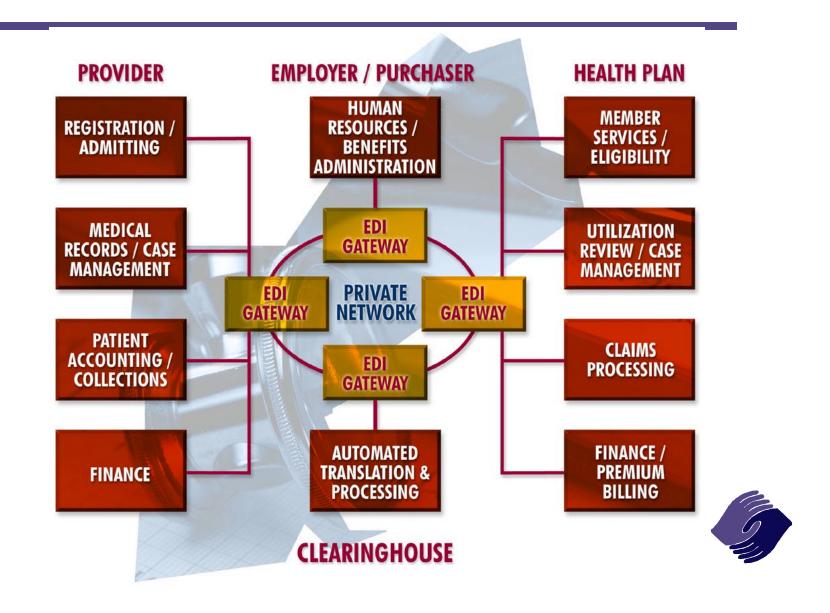








The NEHEN Model



NEHEN History

| August 1997 | •CSC engaged for feasibility study |
|------------------|---|
| October 1997 | •Initial NEHEN discussions |
| February 1998 | Bourbon Street Coalition |
| April 1998 | •Beta versions of software tested |
| June 1998 | •Eligibility Pilot started |
| August 1998 | •Web front-end introduced |
| September 1998 | •Original governance documents |
| December | Referral implementation guide |
| 1998 | completed |
| November 1999 | •Incorporation (NEHEN LLC) |

Affiliated Networks of New England

- 24 regional providers and payers
- Common interest and collaboration on:
 - Confidentiality
 - EMPI strategies
- Common vision on:
 - Identifiers
 - Clinical and insurance EDI
- Forum for IT leadership networking
 - Unwieldy forum for implementation



NEHEN

Formation

- Collaborative approach to mutual implementation and adoption
- Communicate value proposition and potential ROI
- Create a business-like but collegial atmosphere
- Solution Approach
 - Standards- based
 - Secure extranet connecting the participants
 - Integration with enterprise applications
 - Cost-saving, rather than revenue-generating business model
 - Insourcing model
 - Shared development and intellectual property



Business Model

- Each organization is responsible for:
 - Implementation fees, network fees and a monthly Program Management fee.
 - Security
 - Generating and accepting HIPAA compliant transactions.
- Collaborative and "Win/Win"
 - Payers & Providers benefit by sharing administrative data electronically.
 - Each member has an equal voice.
 - All members receive the gateway software, web browser user interface and the Eligibility & Referral Dataset Implementation Guides.

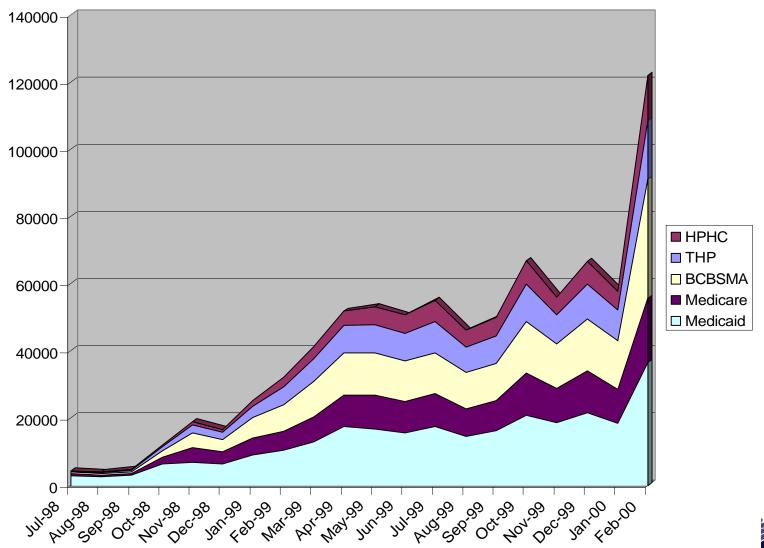


Security

- Security and confidentiality protections must be extraordinary to safeguard patients and health plan members as well as the reputations of the participating organizations. NEHEN has adopted a strict security architecture in response:
 - No central database all patient-identifiable data is transitory in nature
 - Use of private network rather than the Internet
 - Signed agreements among participants safeguarding other parties' data

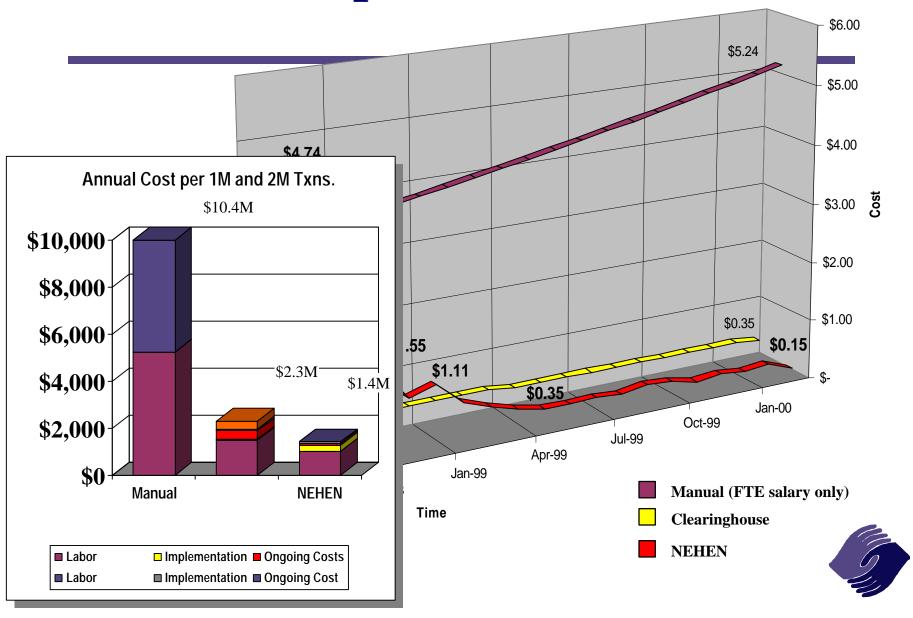


Volume Statistics





Costs per Transaction



Eligibility ROI

| Eligibility ROI | Year 1 | Year 2 | Year 3 |
|--|--------------|------------|------------|
| Labor savings: | \$397,975 | \$ 397,975 | \$ 397,975 |
| + Improved collections: | \$88,010 | \$88,010 | \$88,010 |
| Gross savings: | \$485,985 | \$485,985 | \$485,985 |
| - NEHEN program mgmt. fees: | \$72,000 | \$72,000 | \$72,000 |
| - Implementation costs (H/W, network, labor): | \$250,000 | \$10,000 | \$10,000 |
| Net savings (cumulative): (+ incidence avoidance) | \$163,985 | \$568,905 | \$972,890 |
| | ROI: 1.5X | 2.4X | 3X |



Declaration of Interdependence

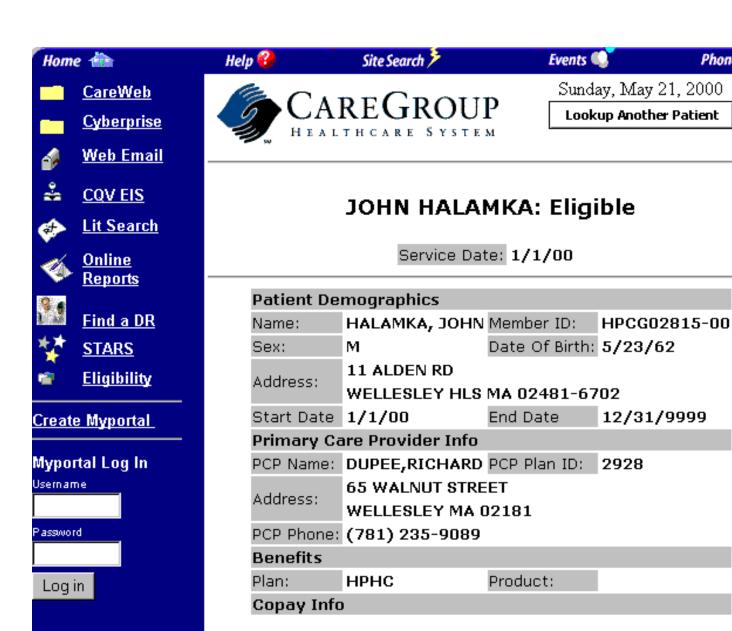


Signing Ceremony — NEHEN LLC — October 1999

CareGroup Implementation

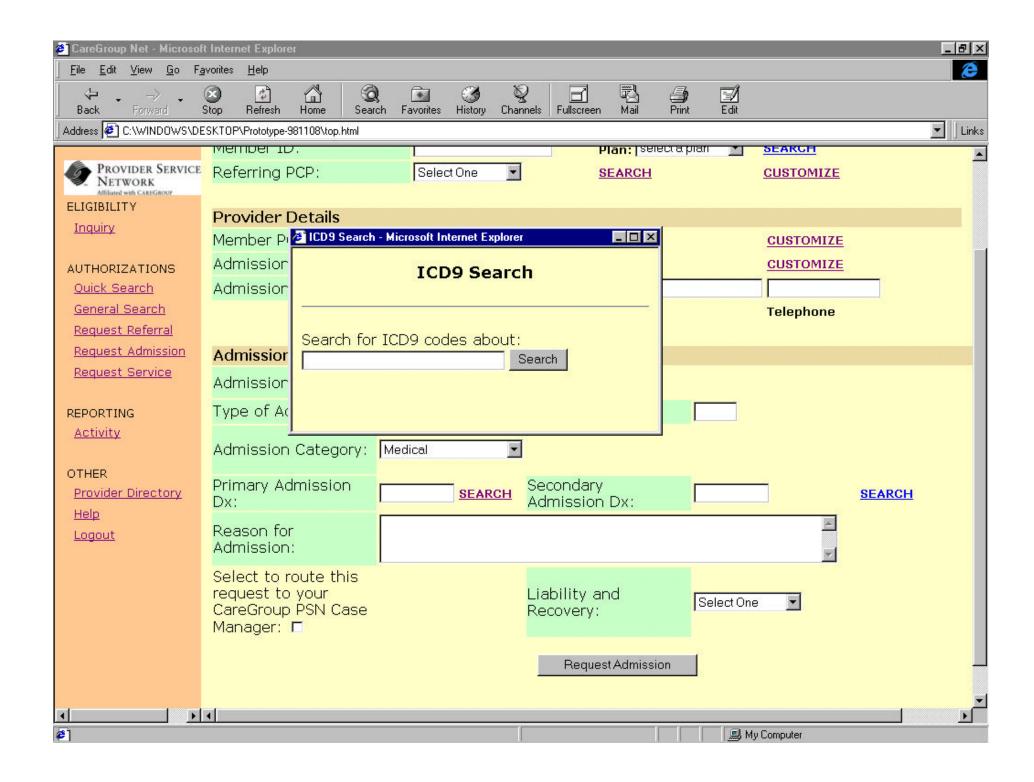
- Benefits/Eligibility
 - Web
 - Hospital Information System
- Referral/Auth
 - STARS
- Patient Self Service
 - PatientSite

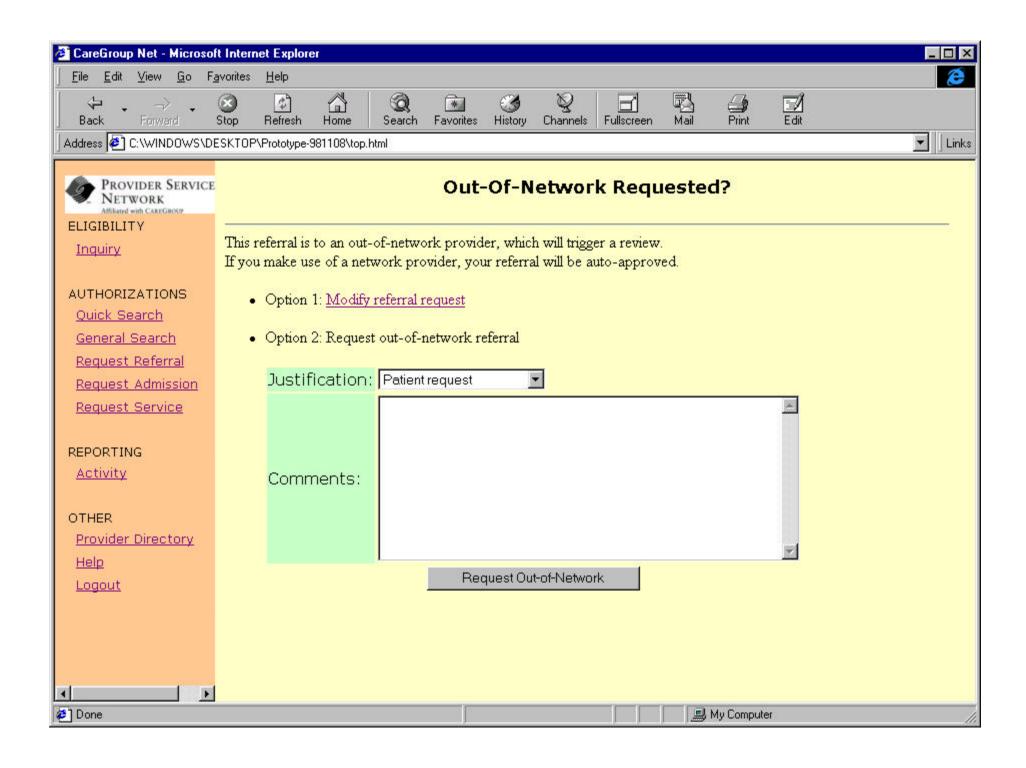


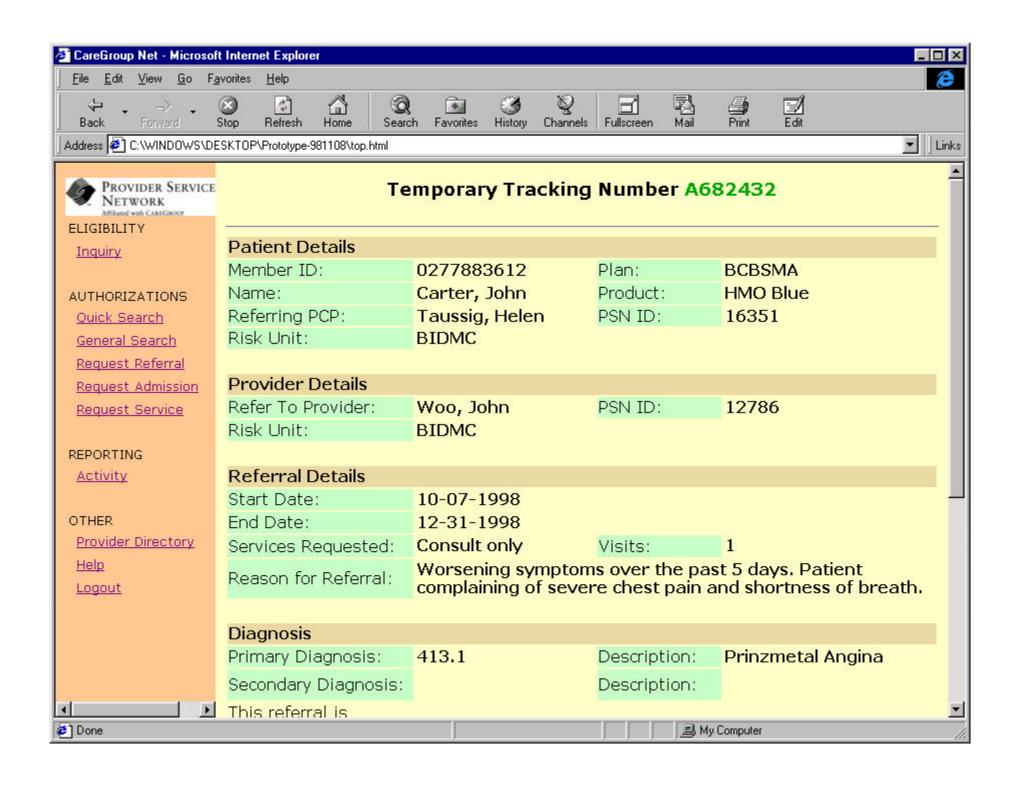


Transaction time: 2 Seconds

Phone 🥙









Welcome to PatientSite



CareGroup HealthCare System implemented PatientSite to give patients the opportunity to communicate with their physicians through the Web. It is secure and free for all CareGroup patients. PatientSite should NOT be used for emergencies.

Please enter your Username and Password to login.

If you are not a registered patient of PatientSite, click on "Take a Tour" and see what it has to offer you, or go directly to registration by clicking on "Register Now"!

Take a Tour

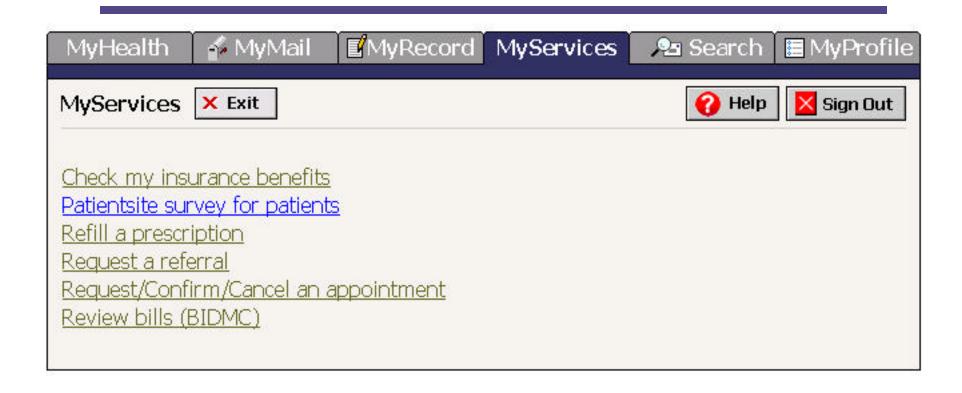
Register Now!

Forgot Password?

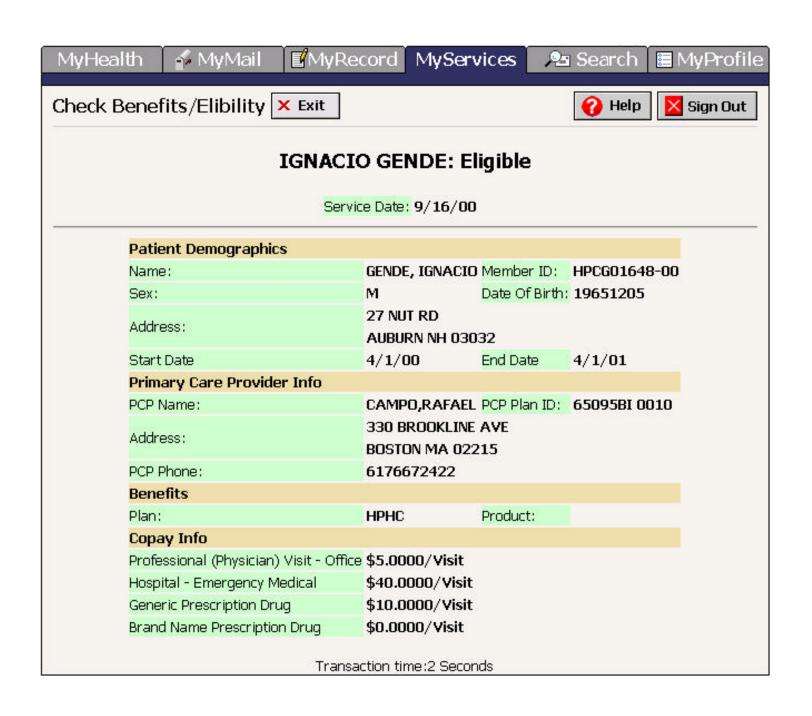
| Username: | |
|-----------|--|
| Password: | |
| Login | |

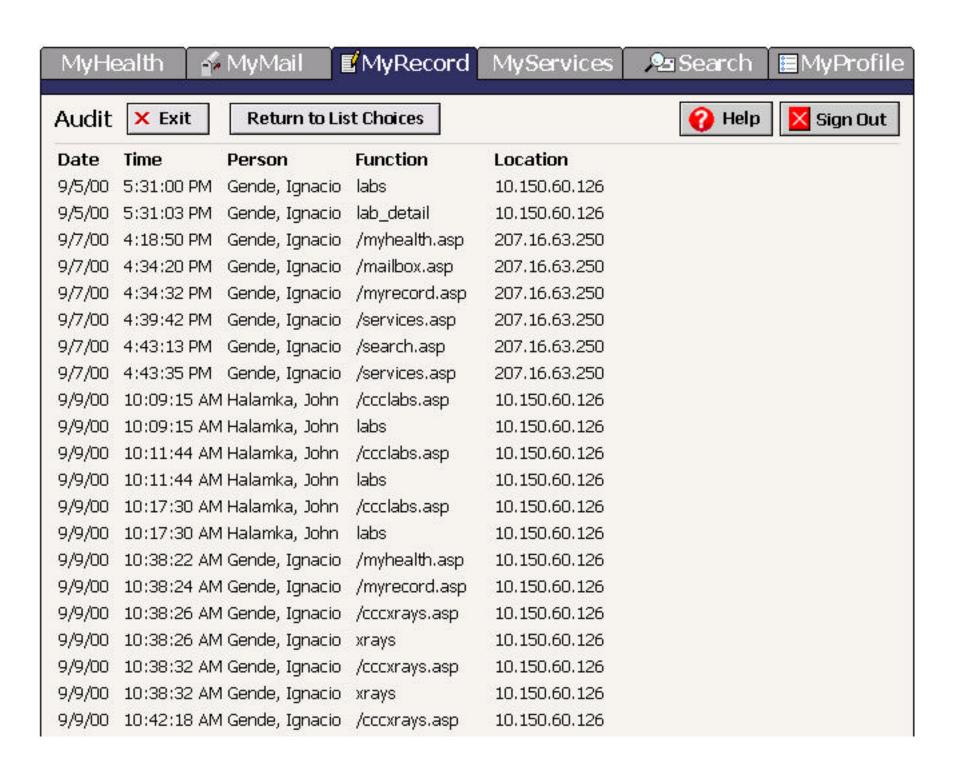


Self Service Benefits Check









Security/Confidentiality

- Best Practices National Academy of Sciences "For the Record"
- Current and Future Recommendations
 - Strong Authentication
 - Role-based access control
 - Auditing
 - Encryption
- Implemented in all our systems



Education

- Formal training in confidentiality
- Volunteers are trained
- Web based training and record keeping
- Single program for all of CareGroup



Summary

- Administrative Simplification
 - Live today with 270/271, 278
 - December for 834/837
- Security/Confidentiality
 - Full auditing, strong authentication and access control in place
- Education
 - Ongoing effort

