Industry Sector HIPAA Compliance: Physicians and Physician Organizations

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Administrative Simplification--

The Good, the Bad, and the Ugly

Key Provisions:

- Electronic transactions
- Standard code sets
- Unique identifiers
- Security
- Privacy
- Electronic medical records

Improved Healthcare Administration

- More efficient office administration
  - *Current estimate -- 10 pages per encounter*
- Consistent reporting
- Better coordination of benefits
- Simplified referrals
- Improved patient satisfaction

E-Health Advantages

- Benchmarking
- Accurate identification
- Improved communication
- Reduced administration
- Accurate payment processing
- Faster payment
- Patient safety

Common Provider Myths

- *HIPAA requires providers to use electronic transactions*
- *HIPAA is only administrative simplification*
- *HIPAA was forced on us by the federal government*
- *I only use paper--HIPAA won't impact me*
- *Heck, my vendor will take care of that*
- *HIPAA will never be implemented*

HIPAA VS Y2K?

- Not a “one shot deal”
- Not solely a technology or systems fix
- Not an easy “return to normal operations”
- Apparent reduced role of government

HIPAA--Another Issue To Contend With

- Difficulties facing group practices include:
  - STARK
  - COMPLIANCE GUIDENCE
  - TRANSLATION CAPABILITY?
  - ADMINISTRATIVE COMPLEXITY
  - DECLINING REIMBURSEMENT

Proposed Transaction Standards

- All transactions to use ANSI ASC X12N version 4010
- Professional Claim
  - ANSI ASC X12N 837
- Code Sets
  - ICD-9-CM for diagnoses and inpatient care
  - CPT 4 for outpatient/physician care
  - HCPCS for equipment/supplies/injectible drugs, etc.

Transaction Issues

- Version Control
  - What versions have to be maintained?
  - When should updates take place?
- MOU set between the six SDOs
  - Dental Content Committee (ADA), ANSI X12, Health Level 7, NCPDP, NUBC, NUCC
  - Modification/Updating procedure
- Local codes
- NDC vs. “J” codes
- HCFA 1500 Form
- Will Payers be ready?

Claims Attachments

- NPRM expected 2001
- Developed by Health Level Seven
- Currently six attachment types
  - ambulance
  - emergency dept
  - rehabilitative services
  - medications
  - lab results
  - clinical notes
- Tremendous potential for streamlining claims
- Will payers accept CA prior to request?

National Provider Identifier

- NPI Features
  - Proposed to be 8-digit numeric with one check digit
  - Replaces UPIN
  - NO embedded intelligence
- National Provider System (NPS)
  - Demographic and business information
- Concerns
  - Who will have access to the NPS?
  - What information is to be collected?
  - Enumeration process
  - NPS Updates

Individual Identifier--Issues

- Risks, limitations of SSN as a health identifier
- Method to positively link individual to his/her identifier
- Method to prevent issuance of duplicate identifiers
- Medical record linkage vs right to anonymous care
- Costly infrastructure investment likely
- Controversy with any recommendation

Medical Records Standards

- NCVHS gathering data--NPRM in 2001?
- Many CPR systems in the marketplace (many homegrown), but little uniformity
- Standardization would improve patient care
  - Impact on clinical function enormous
    - "Real time" treatment options
    - Identification of treatment / medication conflicts
    - Patient follow-ups / prescription renewals

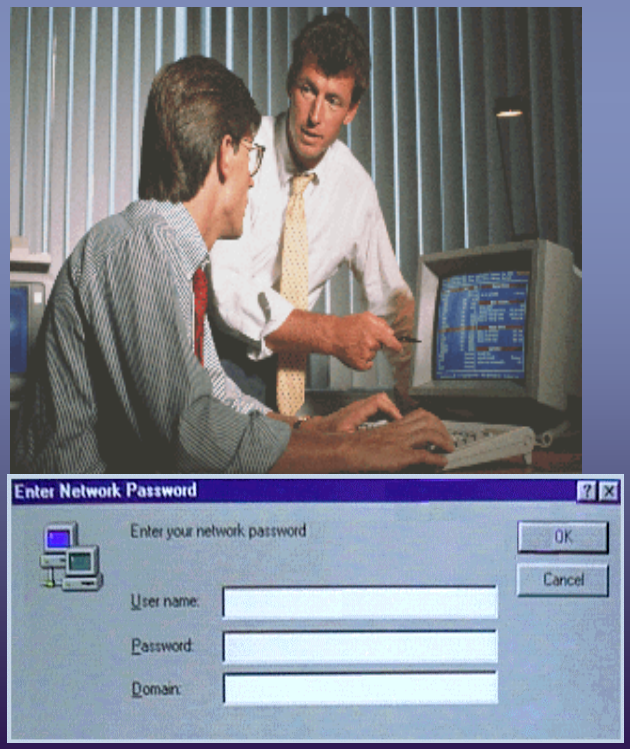
Medical Records Standards

- Data standardization leads to improved data quality for:
  - patient studies
  - cost allocation
  - benchmarking
- Standardization reduces data redundancy
  - Improved patient record integration
  - Potential of patient-entered data
- Standardization to impact clinical setting
  - Patient tracking w/in organizations, more?
  - Enhanced patient safety

Key Security Provisions for Providers

- Administrative Procedures
- Physical Safeguards (facilities)
- Technical Security Services (application software)
- Technical Security Mechanisms (network communications)
- Electronic Signature

  (now separate final rule)



Group Practice Concerns--Security

- Impact on business
  - Day-to-day operations
  - Cost of implementation
  - Research data
- Compliance
  - Self assessment & self certification
  - Definition of “scalability”
  - Impact of non-compliance

Key Privacy Provisions for Providers

- Electronic, paper, and oral covered
- Need to obtain patient consent
- Tracking/disclosure of data release
- Pharmacy--who can pick up prescriptions?
- Patient amendments of their record
- Minimum necessary provisions
- Business associates
- Patient initiated audits

Moving Providers Toward Compliance

Implementation Issues for the Individual Practitioner

- Start-up costs
- Maintenance costs
- Who will implement?
- Move toward an electronic environment?
- How will plans handle special situations?
- Privacy of information?

Challenges to Provider Implementation

- No single awareness/education tactic will reach all providers
- Disparity between provider types
- Wide range of technical capability
- Staggered and rolling implementation dates
- Long Y2K memories

Challenges to Provider Implementation (cont)

- Interoperability issues- other providers, SDO type standards, etc.
- Security, confidentiality issues
- Lack of unique patient identifier
- Acceptance/ monitoring capabilities

Critical Implementation Issues

- Start-up costs
- Maintenance costs
- Who will implement?
- Move toward an electronic environment?
- How will information be disseminated?
- How will plans handle special situations?
- Privacy of information?

Group Practice Cost Concerns

Implementation costs

- According to HCFA -- $4,000 over Five yrs for ALL provisions for a group practice of 3physicans +
- Expectation for typical group practice must include:
  - Software/hardware upgrades
  - Staff training
  - Legal-consultative
  - Security/privacy assessments ($20k+)

Cultural Issues

- Transition period most difficult
  - Upgrades / training / inevitable problems
- Changing the “mindset”
  - Getting providers to expect electronic data interchange
  - New identification systems
  - Protecting the data
  - Merging “science” with the “art” of medicine

Critical EDI Questions

- Do you have the right code sets & Id's?
- Do you have adequate technical infrastructure?
- Do you have translation capabilities?
  - If no, what are your sourcing options?
  - If yes, levels of efficiency / redundancy?
- Are you properly secured?
  - Policies & procedures
- Are you properly administered?
  - Monitoring & reporting
- Can you exchange information with your trading partners?

General Recommendations to Provider Organizations

- **Get Started Now**
- **Assess Current Position**
  - Transaction software
  - Security and Privacy
  - Vendor options
- **Design Solutions for Implementation**
  - Speed and flexibility
  - Use Y2K knowledge and assets
- **Involve Trading Partners**
  - Interoperability is critical

Assess Security/Privacy Now

- Be proactive
  - Review the guidelines
  - Review policies and procedures
- Engage senior management
    - Security is a business imperative
- Consider an assessment workshop
- Document findings - risk assessment
- Consider prioritization scheme
- Plan your implementation

"Selling" HIPAA to Providers

- Key concept--HIPAA is not simply "another government intrusion"
- Components can be phased in over several years
- Practice administrators have critical role
- Physicians must be made aware of the potential for streamlining their practice
- HCFA promises "reasonable" enforcement
  Physician "buy in" critical to success of HIPAA
- Physicians must understand that HIPAA is not optional

Avoid Viewing HIPAA in a "Vacuum"

- Development of a HIPAA compliance program as part of a broader E-health organizational strategy:
  - Benchmarking = improved performance
  - Accurate identification = improved patient flow
  - Improved communication = improved patient satisfaction
  - Accurate payment processing = faster payment less AR
  - Reduced administration = improved bottom line
  - Clinical efficiency = improved patient safety

The Role of HCFA

- Issues of Concern
  - Lack of resources earmarked for provider education
  - Unrealistic cost/benefit analyses
  - Implementation funding
  - SDO support
- Acknowledgements
  - Industry outreach
  - Responsiveness to industry concerns
  - Commitment to industry workgroups

Provider Resources

- National Uniform Claim & Billing Committees--NUCC/NUBC
  - SDOs
  - Cross-industry groups
  - Consensus based
- Workgroup for Electronic Data Interchange
  - Industry consortium
  - Consensus based
  - Pipeline into HHS/HCFA

Provider Resources (cont)

- Strategic National Implementation Process (WEDI-SNIP)
  - 1800+ involved
  - HHS/HCFA support and participation
  - Workgroups:
    - Transactions and Identifiers
    - Security and Privacy
    - Education

Provider Resources (cont)

- WEDI-SNIP
  - White papers
  - Comprehensive listing of HIPAA resources
  - Audio conferences
  - Face-to-face conferences
  - 30+ Regional groups

MGMA Products and Services

- www.mgma.com "HIPAA Resource Center"
  - Latest edi updates and MGMA activity
- Audio Conferences
- HIPAA Toolbox "*How to Get Started*"
- MGMA face-to-face conferences
- Weekly/monthly publications
- Consulting services

Web Resources

- http://aspe.os.dhhs.gov/admnsimp/
  - The administrative simplification law, process, regulation, and comments
- http://www.wedi.org
  - Workgroup for Electronic Data Interchange
- http://www.wedi.org/snip
  - Strategic National Implementation Process (SNIP)
- http://www.nucc.org
  - National Uniform Claim Committee
- http://www.nubc.org
  - National Uniform Billing Committee
- E-Mail
  - rmt@mgma.com

Questions