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?
Implementation costs

- **According to HCFA** -- $4,000 over Five yrs for ALL provisions for a group practice of 3 physicians +
- 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