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Clearinghouses and HIPAA
Updates to Case Studies
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Miriam J. Paramore

President, PCI
AFEHCT Recording Secretary
HFMA HIPAA Committee Member
Lead, AFEHCT Communication & Awareness Committee

Fear and Trepidation

The only people who are not afraid of HIPAA are:

- Lawyers,
- Consultants, and
- CLEARINGHOUSES.

Clearinghouse Concerns

- Transactions & Codes Reg:
  - Transaction Standard Formats
  - Transaction Standard Content
  - Implementation Guides
  - Codes Sets
  - Exchange with other clearinghouses
- Clearinghouses are the kings of crosswalks and intelligent editing
- Hurdle: Translation per HIPAA while keeping first-pass rates in shape
- Security Reg:
  - Cost of doing business per HIPAA
  - New layer of processing

Three Amigos

- The GOOD – Medifax
- The BAD (and big) – A huge BCBS Plan
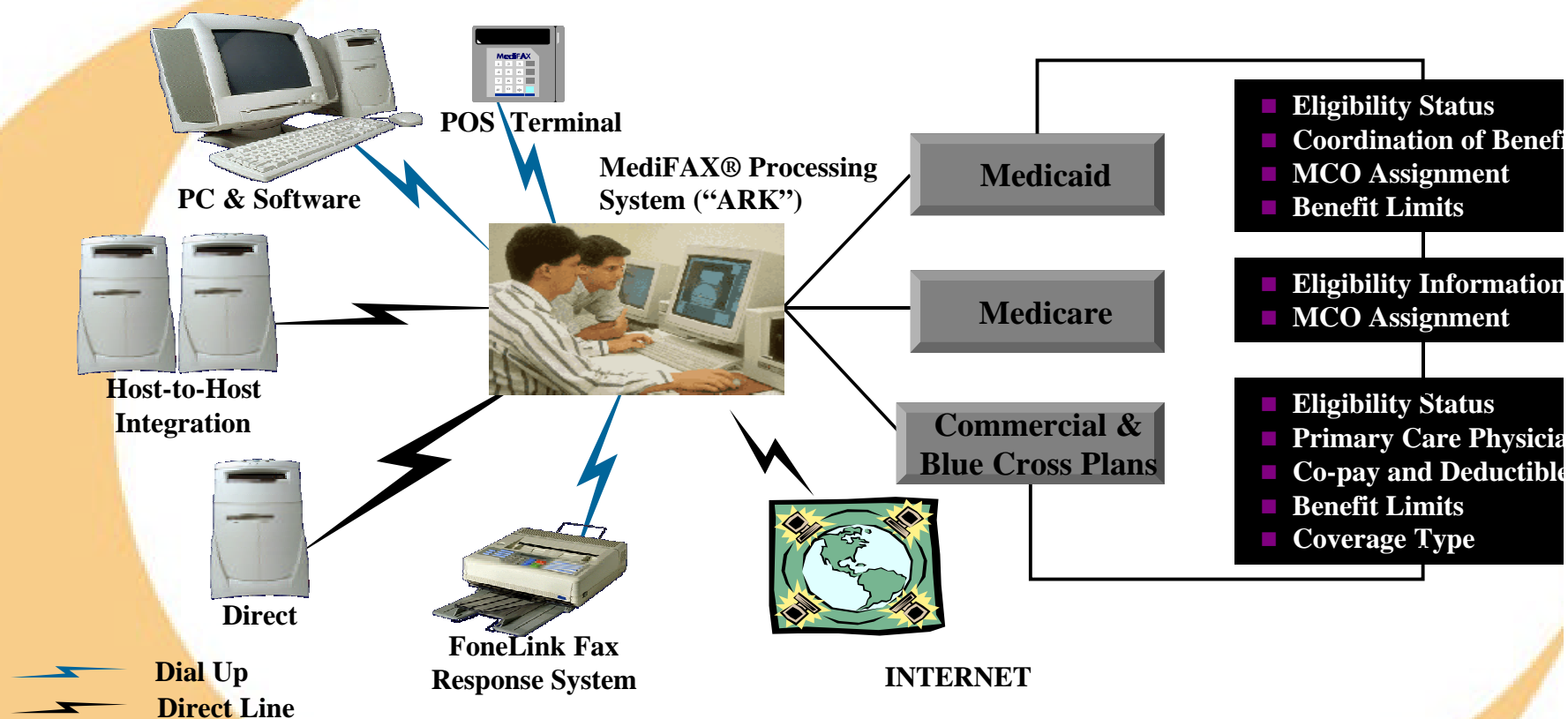
    and

- THE BETTER – XactiMed

BIG & BAD
A Huge BCBS Plan

- "It's old… it's big… It's a BCBS EDI Operation!
- Acting as a health plan and a clearinghouse
- Firewall considerations
- Hands off to many other clearinghouses
- 70 Million transactions per year
- 7 internal adjudication systems
- Intelligence in the codes and identifiers
- Charges providers and other payers
- Nary a relational database, Window, or ASP in site
- Homegrown security (okay, it's a stretch)

MediFAX Facts

- 16 Years in business
- 33,000 Facilities
- 103,000+ Physicians / Providers (sites)
- 7.5 Million transactions per month
- 90 Million per year (is that math right?)
- Primarily eligibility transactions
- Headquartered in Nashville, TN

Multiple Front-End Products

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POS Terminal

PC & Software

Host-to-Host Integration

Direct

Dial Up
Direct Line

FoneLink Fax Response System

MediFAX® Processing System ("ARK")

INTERNET

Medicaid

- Eligibility Status
- Coordination of Benefi
- MCO Assignment
- Benefit Limits

Medicare

- Eligibility Information
- MCO Assignment

Commercial & Blue Cross Plans

- Eligibility Status
- Primary Care Physicia
- Co-pay and Deductible
- Benefit Limits
- Coverage Type

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- MediFAX® POS

- MediFAX® pc+

- MediFAX® Integrated Systems
  - MediFAX Direct--LAN
  - Custom Host-to-Host Interfaces
  - HIS vendor integration

- MediFAX® NetDirect

- FoneLink Fax (Note: No longer exempt.)

MediFAX HIPAA Status

- ✓ Preparation – Early 2000
- ✓ Gap Analysis & Risk Assessment – 10/00
- ✓ Technical Training on X12 – 12/00
- ✓ Reality Check and Executive Management Direction – 01/01
- ✓ Implementation of first X12 Trading Partner with HIPAA Implementation Guides – 02/01

MediFAX Approach to HIPAA

- Proactive self-education
- Active participation in industry trade groups (AFEHCT, WEDI, HFMA, AHA, and state-level associations)
- Acquired translation tools to aid implementation
- Executive management included early in the process
- Outside consultants brought in to give independent gap analysis and sanity check

HIPAA Impacts on MediFAX

- **High impact on product development**
  - Reengineering to meet user authentication requirements of security
  - Customers will have to be retrained
- **Medium impact on daily operations**
  - Were already doing some X12
- **Strategic impact on payer services**
  - HIPAA front-end for one state Medicaid plan
  - Savings of $9M to the plan because they don't have to reengineer their legacy systems

Are You a Clearinghouse?

"Health care clearinghouse means a public or private entity that does either of the following (Entities, including but not limited to, billing services, repricing companies, community health management information systems or community health information systems, and "value-added" networks and switches are *health care clearinghouses* for purposes of this subchapter if they perform these functions.):

(1) Processes or facilitates the processing of information received from another entity in a nonstandard format or containing nonstandard data content into standard data elements or a standard transaction.

(2) Receives a standard transaction from another entity and processes or facilitates the processing of information into nonstandard format or nonstandard data content for a receiving entity."

CH to CH

Recent question – Does the hand-off from one clearinghouse to another have to:

A. Be in the standard format
B. Contain the standard content
C. Both
D. Neither

Let's Look…

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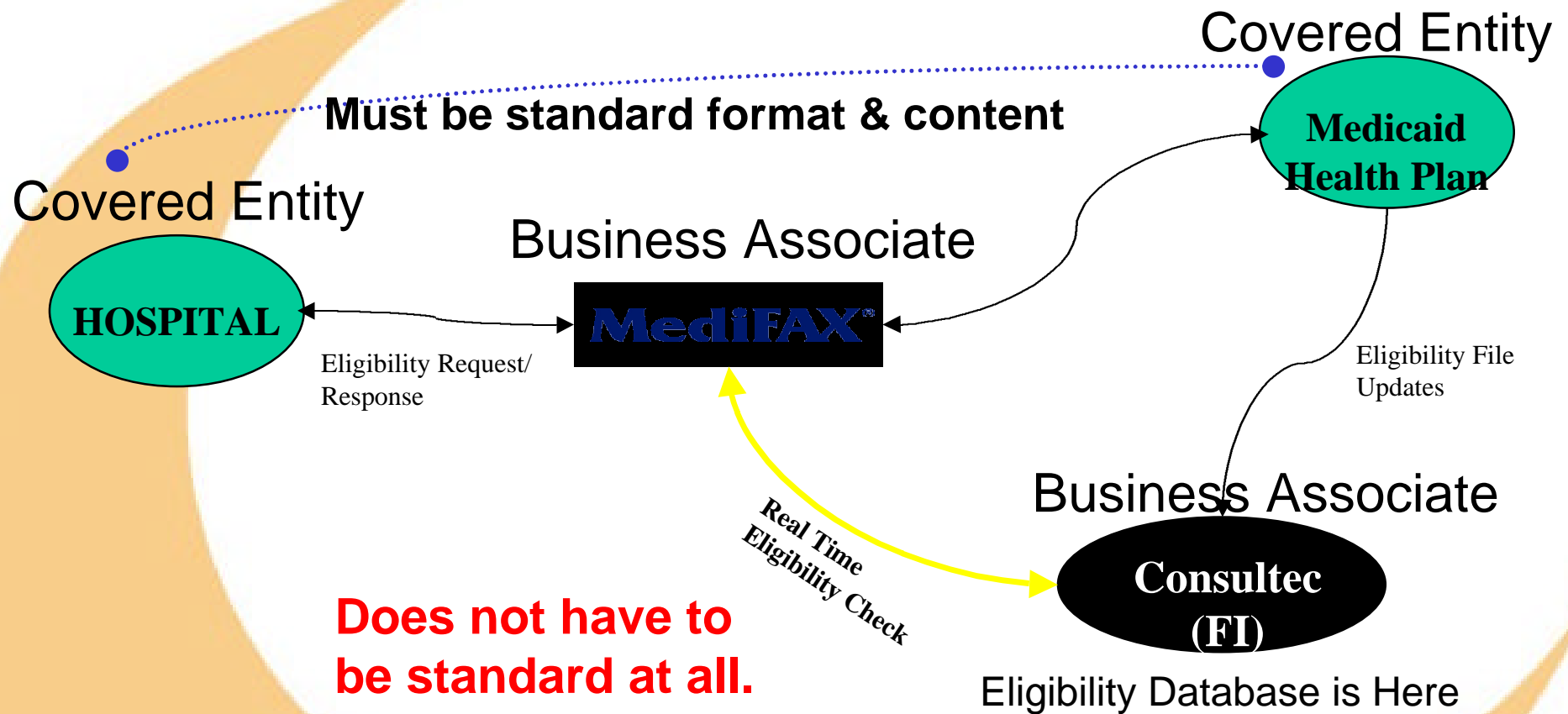
§162.1201 Eligibility for a health plan transaction.

The eligibility for a health plan transaction is the transmission of either of the following:

(a) An inquiry *from a health care provider to a health plan*, or *from one health plan to another health plan*, to obtain any of the following information about a benefit plan for an enrollee:

   (1) Eligibility to receive health care under the health plan.

   (2) Coverage of health care under the health plan.

   (3) Benefits associated with the benefit plan.

(b) A response *from a health plan to a health care provider's (or another health plan's)* inquiry described in paragraph (a) of this section.

Example from Preamble

" The definition for the eligibility for a health plan transaction is an inquiry **from a health care provider to a health plan**, or **from one health plan to another health plan**, to determine the eligibility, coverage, or benefits associated with a health plan for a subscriber. In this case, the inquiry is from one business associate of that health plan to another business associate of that same health plan. Therefore, the inquiry does not meet the definition of an eligibility for a health plan transaction, and is not required to be conducted as a standard transaction."

A Hand-off Example

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Covered Entity

Must be standard format & content

Covered Entity

Business Associate

Medicaid Health Plan

HOSPITAL

MediFAX®

Eligibility Request/ Response

Eligibility File Updates

Business Associate

Real Time Eligibility Check

Does not have to be standard at all.

Consultec (FI)

Eligibility Database is Here

Who Am I – Who Are You?

- HIPAA Schizophrenia
  - Strategic Understanding/Definitions
  - Who am I?
  - Who are my customers?
- Functional Frenzy
  - Am I functioning as a clearinghouse?
  - Am I "acting on behalf of" a covered entity and how does that affect transaction standards?
  - Do I translate or reformat the information exchange between providers and payers?

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Pick a Solution

- HIPAA compliance is now a MUST for all clearinghouses

- Clearinghouses are implementing transactions in different orders – ASK

- Translators can be purchased and brought in-house, but that is not the total equation… security, telecom, support must be wrapped around it

- White papers available compare and contrast clearinghouses and translators

Thanks for your attention!

- Questions? Please call or email:

- Miriam Paramore

- Paramore Consulting, Inc.

- 502-895-2196

- Mjp_pci@bellsouth.net

- Coming soon: The re-launch of www.hipaasurvival.com !!!!!!!!!!!