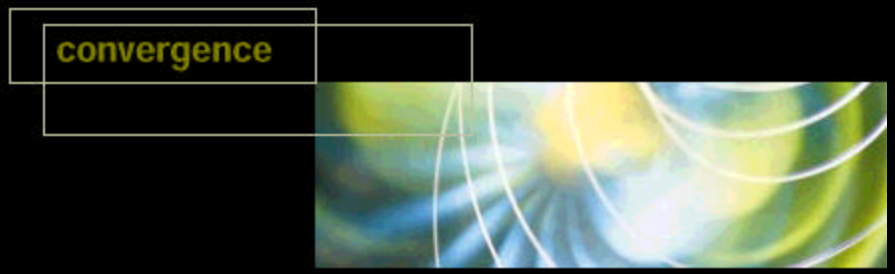
HIPAA Basics: Employer, Plan, Provider and Individual Identifiers and Electronic Signatures



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HIPAA Summit II

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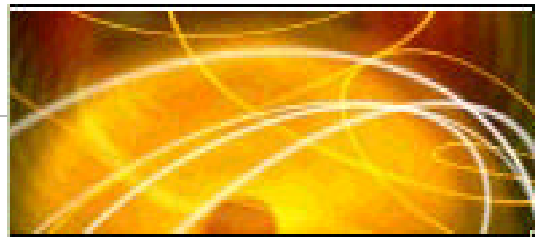

Walt Culbertson

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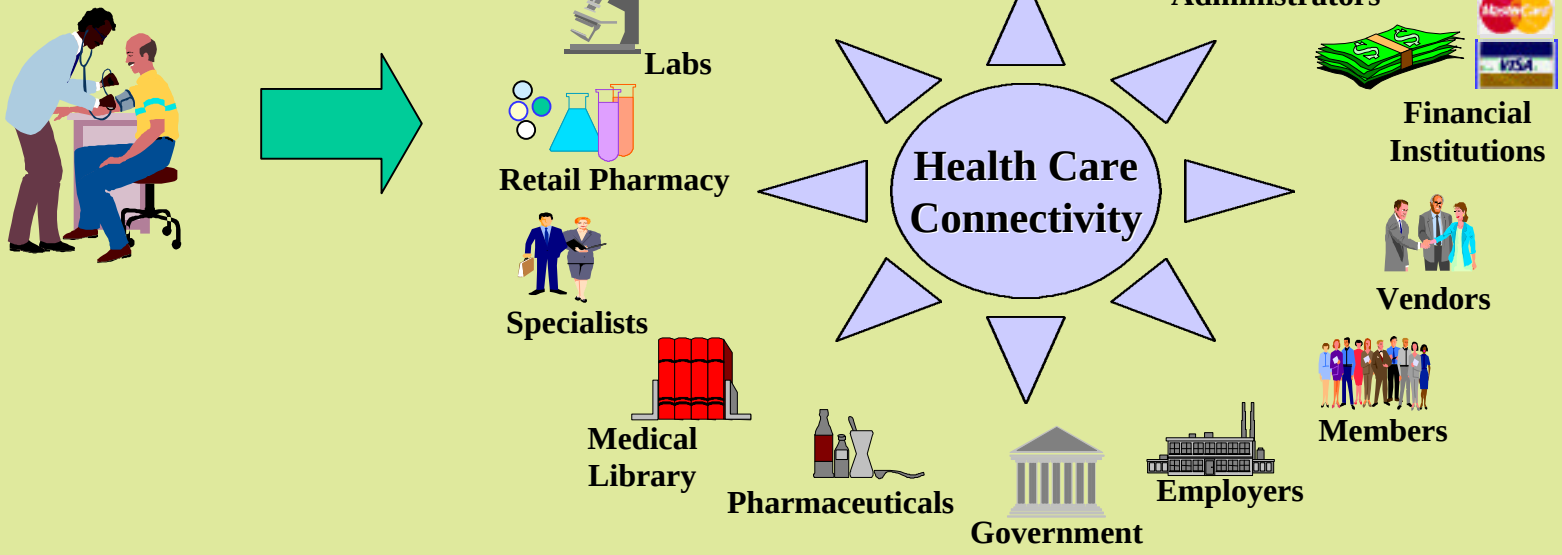
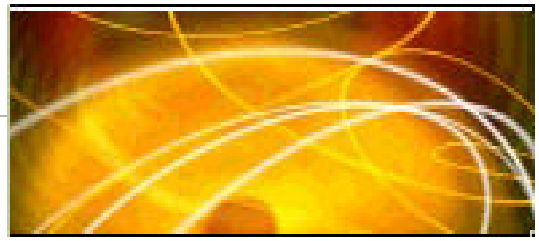
Strategic National Implementation Process (SNIP)

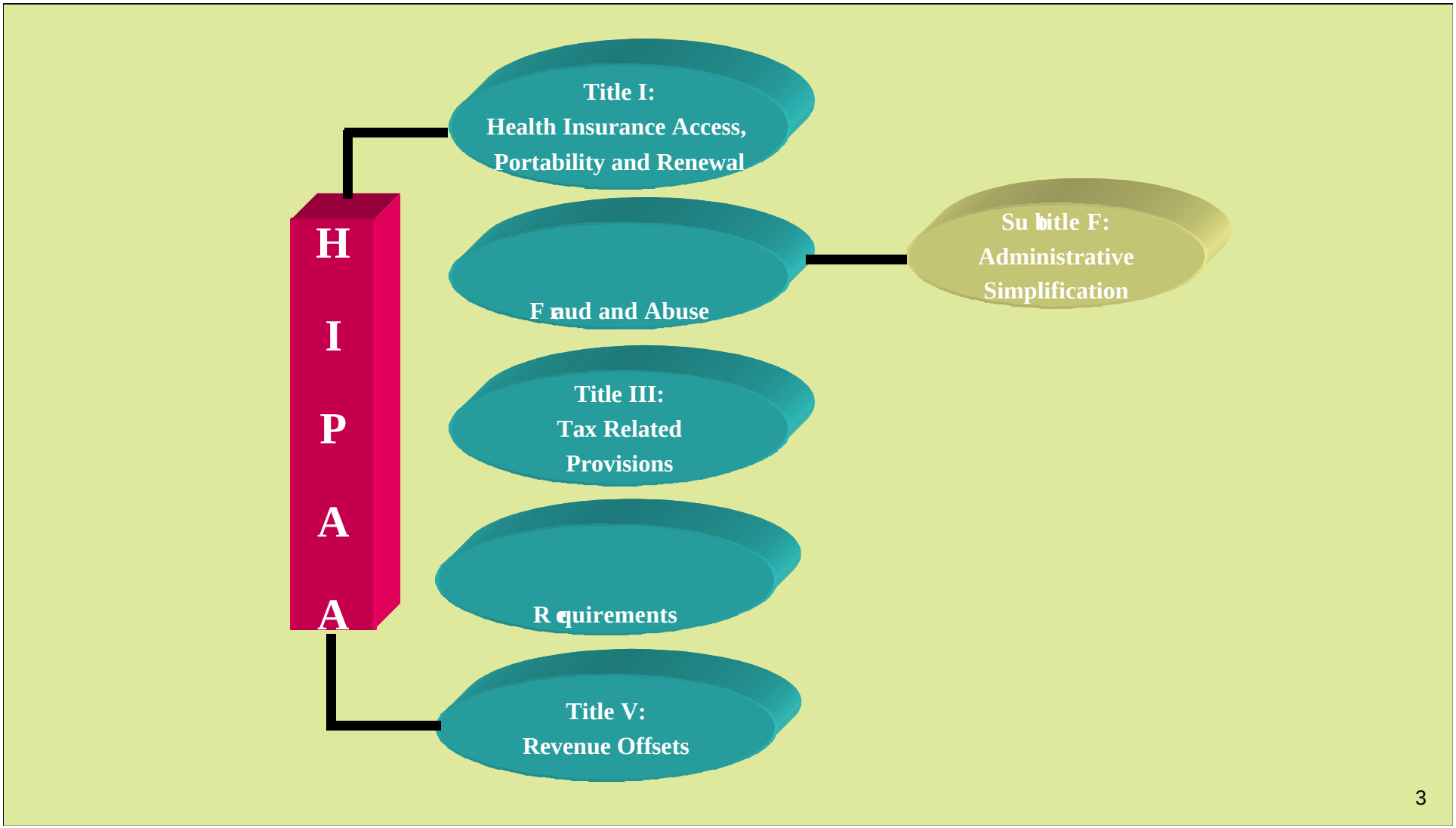
Why HIPAA?

- Health Care delivery has evolved to require enormous administrative efforts across many foundations and organizations
- The goal of HIPAA is to improve the efficiency, effectiveness and security of the health care infrastructure



The Provisions of HIPAA





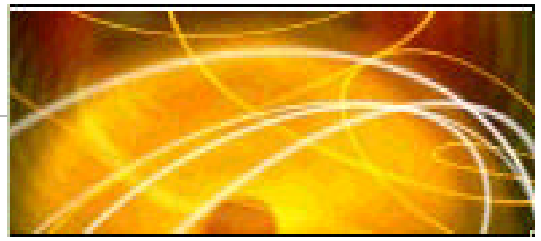
What is Administrative Simplification?

The Administrative Simplification provisions of HIPAA were enacted by Congress to regulate and standardize information exchanges and establish standards for the privacy and security of individually identifiable health information.

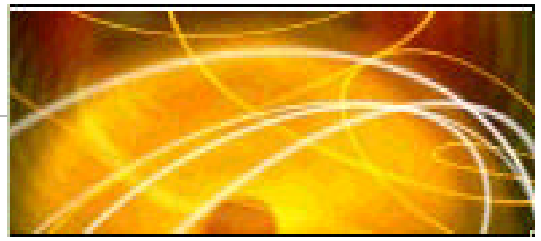
The four key areas of Administrative Simplification are:

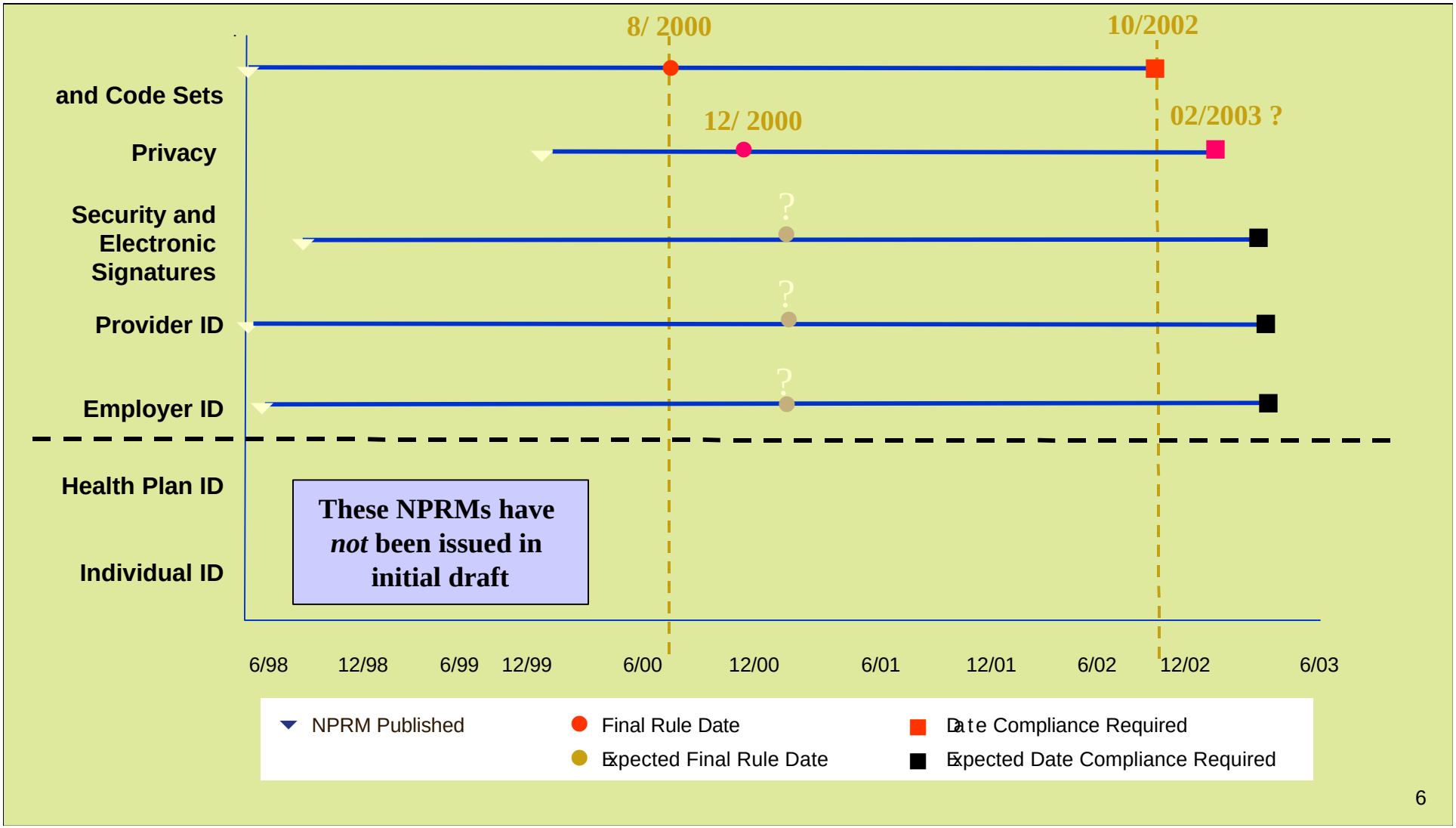
- Privacy
- Security
- Transactions and Code Sets
- Unique Identifiers

Who's Covered ?



- Health Plans
  - HMOs, health insurers, group health plans including employee welfare benefit plans
- Health Care Clearinghouses
  - An entity that processes health information going from a health care provider to a payer.
- Certain Health Care Providers
  - Any healthcare provider who transmits any health information in electronic form in connection with a standard transaction




8/ 2000
10/2002
and Code Sets
12/ 2000
02/2003 ?
Privacy
Security and Electronic Signatures
?
Provider ID
?
Employer ID
?
Health Plan ID
These NPRMs have *not* been issued in initial draft
Individual ID
6/98
12/98
6/99
12/99
6/00
12/00
6/01
12/01
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12/02
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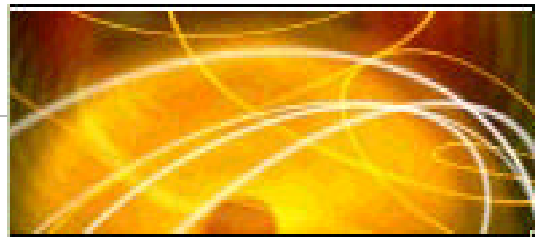
NPRM Published
Final Rule Date
Date Compliance Required
Expected Final Rule Date
Expected Date Compliance Required

HIPAA Effort



- Complexity of the organization and number of business units or decentralized operations

  Value of documented policies, procedures and programs
- Culture to work confidentiality in business operations
-
  - Custom-developed versus vendor package software

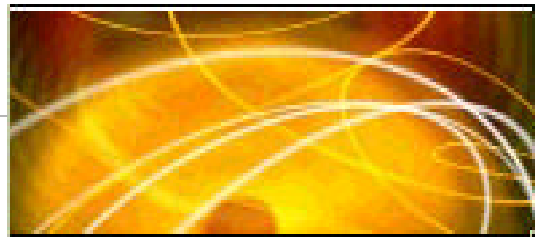
    Data architecture

    Current EDI capabilities

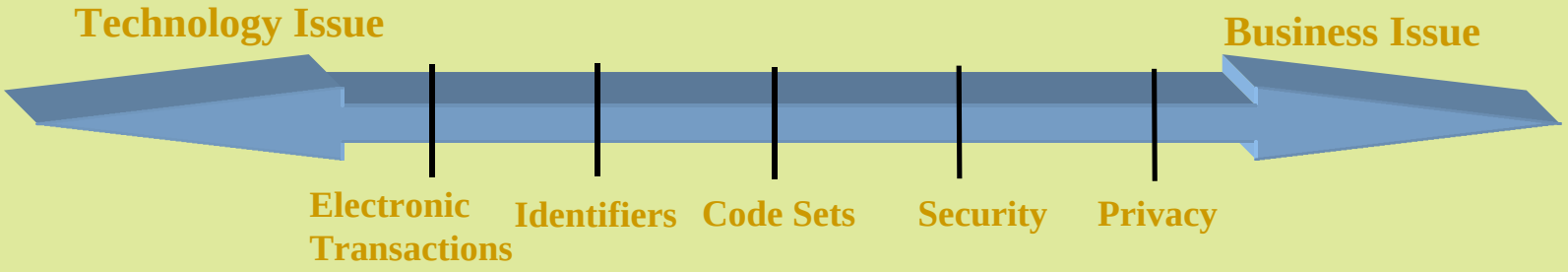
  The degree of connectivity and de-
- y

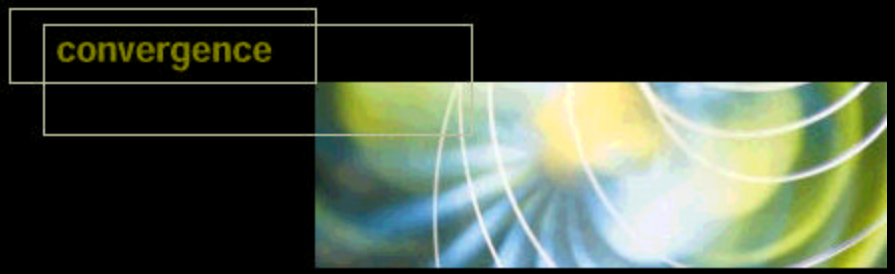
  administration

Assess All Provisions



- While they are being released in a staggered fashion, the HIPAA regulations are interdependent within the systems and operations of covered entities
- None of the provisions of Administration Simplification should be assessed nor remediated in a vacuum
- Later releases of the final rules will further effect changes already in progress as well as implemented solutions to meet earlier specifications





Identifiers Overview

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Identifiers

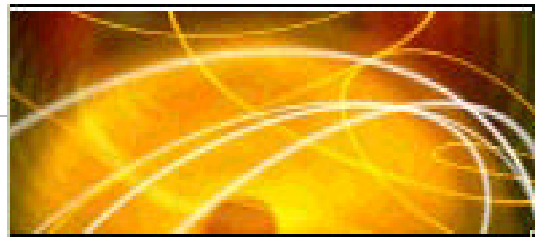
- ***Health Care Providers (National Provider Identifier - NPI):*** A nationally maintained uniform provider identifier. Likely to be 10-

  Proposed to be the current taxpayer identification number utilized for IRS purposes.

- ***Health Plans (Plan ID):*** Identifier format yet to be announced. Likely to be a nine digit number. Would be assigned to all "hea plans", including entities like TPAs.

- ***Individual:***

HIPAA Component Interactions



Standard transaction sets are defined for the following:

- Health claims or equivalent encounter (X12N 837)
- Retail Pharmacy (NCPDP - Online Version 5.1, Batch 1.0)
- Enrollment and Disenrollment in a health plan (X12 834)
- Eligibility for health plan - inquiry/response (X12N 270-271)
- Healthcare payment and remittance advice (X12N 835)
- Health claim status - inquiry/response (X12N 276-277)
- Coordination of benefits (X12N 837)
- Referral certification (X12N 278)
- Referral authorization (X12N 278)
- Health plan premiums (X12 820)
- First report of injury (Not in Final)
- Health claims attachments (Not in Final)

Standard Transaction Record

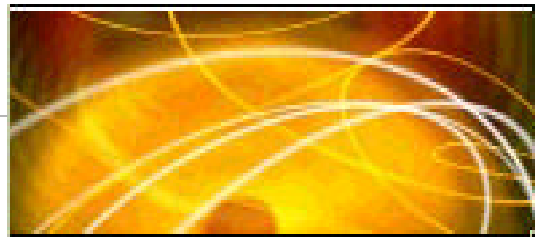
Code Sets

ICD-9-CM (diagnosis and procedures)
CPT-4 (physician procedures)
HCPCS (ancillary services/procedures)
CDT-2 (dental terminology)
NDC (national drug codes)

Identifiers

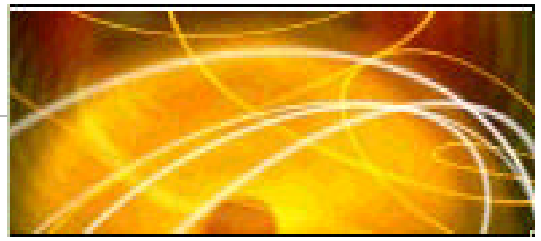
Providers
Employers
Health plans (open)
Individuals (open)

Identifier Impacts



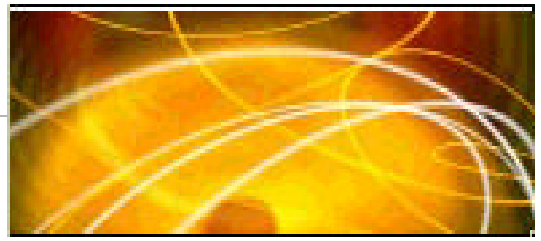
- STANDARD ID CHALLENGES
  - Inclusion of new identifiers in legacy data files
  - Conversion to use new identifiers in business processes
  - Addition of new data elements to supply information formerly in intelligent identifiers
- STANDARD ID BENEFITS
  - Simplified, more accurate identification of health system entities
  - Simplified data exchanges to and from health system entities
  - Improved tracking of health system entities
  - Improved data analysis about health system entities

National Provider Identifier (NPI)



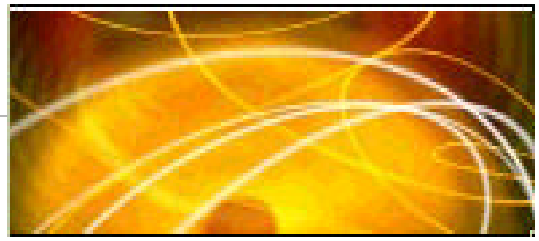
- Defines “single unique identification of providers” - must be used in all standard transactions
- Applies to all Medicare providers and “any other person furnishing healthcare services and supplies”
- Unique healthcare provider ID would not change with moves or changes in specialty
- Identifiers must be “intelligence-free” (not contain any encoded information about the healthcare provider)
- Reduces potential for fraud and abuse within healthcare programs

NPI as Proposed



- Would be in the public domain
- Use HCFAs National Provider System (NPS) to store NPI
- NPI format as proposed likely will be a 10-digit numeric field with a check digit in the 10th position
- Would be maintained by HCFA and issued by “enumerators”
- “Enumerators” are still under consideration, could be a registry, private organizations, federal health plans, state agency, health plans or a combination

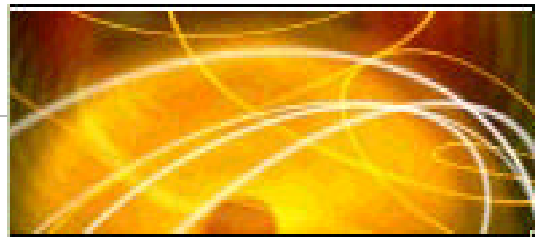
NPI Implementation Issues



- Identifiers are generally not standardized within a single plan or across plans
- A single provider may have several numbers for each program and often multiple billing numbers within the same program
- The 10-digit format does not allow for variations which insurers generally use to identify place of service, provider care role, or other claims payment requirements
- Another *unique provider* IDN to manage and maintain:

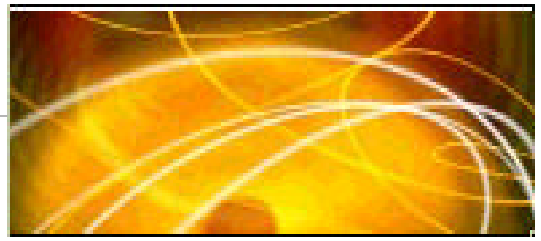
  Provider IDN, Medicare IDN, Civilian Health and Medical Program of the Uniform Services IDN, Local or Regional IDNs

NPI Challenges



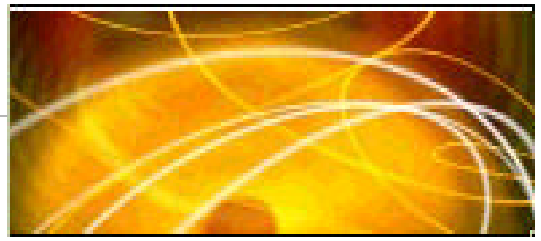
- Rules for assignment of NPIs will not always match rules for assignment of legacy provider identifiers
  - Challenges in matching providers when assignment is not one to one
  - Challenges in matching providers when data differs
  - Challenges of lost specificity, compared to legacy provider identifiers based on specialty, location, contract, TIN, etc.
- Many legacy specialty code sets describe payment distinctions

NPI Operations Issues



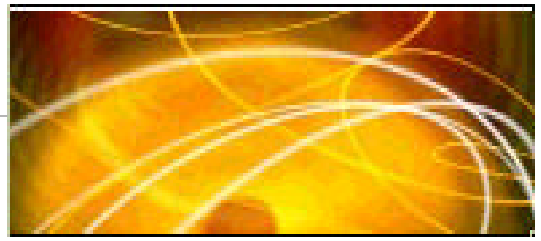
- Limit data to that needed for unique enumeration
- NPS should not collect credentialing data or perform credentialing functions
- Collect one mailing address and one physical location address per provider
- Does not establish location codes
- Does not capture provider membership in groups
- Detailed location and group information maintained in health plan provider files
- Collect the same data for provider groups and organization/facility providers

Employer Identification Number



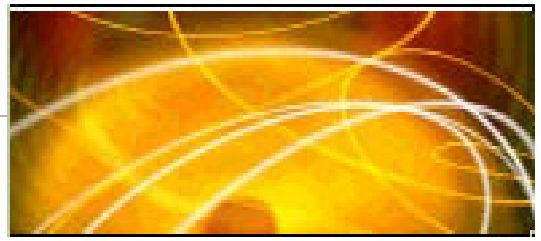
- EIN as Proposed:
  - Develop Employer Identification Number (EIN) as standard
  - Already in use and accepted by industry
  - Process for assigning EINs and administrations remains with the Internal Revenue Service
  - 9-digit numeric

Employer Identification Number



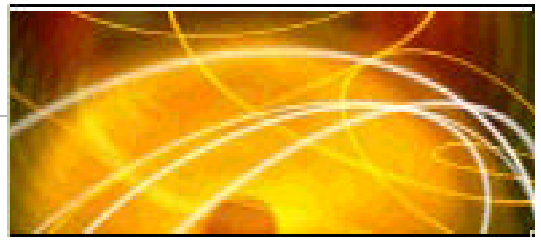
- Effect on Employers
  - Employers are not bound by HIPAA to use HIPAA standards
  - Employers would be required to disclose the EIN to entities that need to use it in standard transactions
  - Could be used voluntarily by employers
  - Primarily to identify themselves in transactions they initiate on behalf of their employees
    - Benefits enrollment, disenrollment, premium payment
  - Could be used to identify employers as the source or receiver of eligibility information

Employer Identification Number



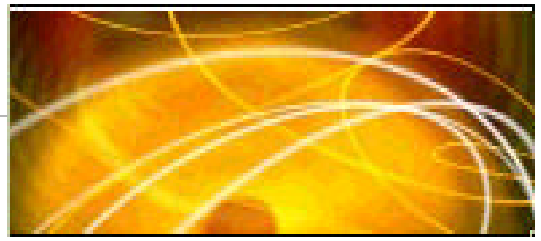
- Implementation Issues:
  - Difficulties developing coordination of benefit information
  - Employers, providers, and health plans have difficulty identifying the employer when making or keeping track of premium payments or contributions
  - Some employers have multiple tax number identifiers

Health Plan Identification Number



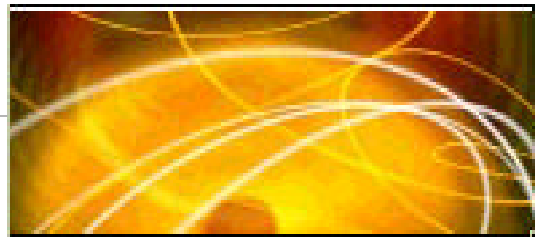
- Health Plan Identifier as Proposed:
  - PlanID will be proposed formerly called PAYERID
  - 10-position numeric
  - Check digit in 10th position
  - No intelligence in identifier
  - PlanID would identify the health plan
  - Companies that contract to conduct or process transactions of health plans would also be eligible for identifiers
  - Plan ID system would contain EDI addresses to facilitate routing of EDI transactions

Health Plan Entities Enumerated



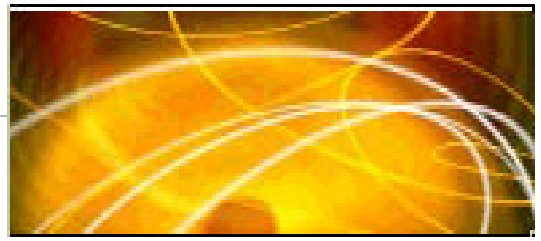
- Health Plans:
  - Group health plans
  - Health insurance issuers
  - Managed care organizations (HMOs)
  - Medicare program
  - Medicaid program
  - Medigap plans
  - Long term care plans
  - Employee welfare benefit plans offered by two or more employers
  - Active military plans
  - Veterans health care program
  - Civilian Health and Medical Programs of the Uniformed Services (CHAMPUS)
  - Indian health service program
  - Federal Employees Health Benefit Plan
- Employers (those that offer self-insured health benefits)

Health Plan Identification Number



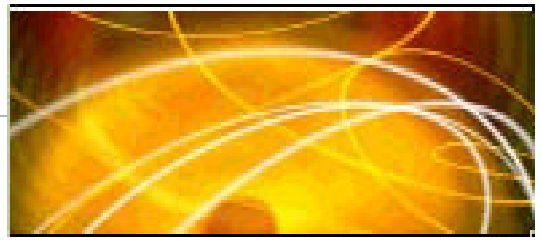
- Implementation Issues:
  - While less controversial than the Provider and Individual IDNs, the Health Plan IDN has made the least progress to-date towards issuance
  - Adoption across the industry will take coordination and more effort than the Employer IDN which is widely used and maintained

Individual Identification Number



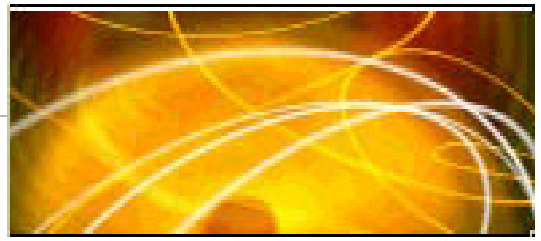
- HIPAA recognized the unique identifier for individuals as an essential component of administrative simplification.
- There is evidence that a unique identifier for individuals in the health system would have many benefits, including improved quality of care and reduced administrative costs.
- Being able to identify an individual uniquely is essential in both the delivery and administration of health care.
- Today, various health care organizations and insurance companies, integrated delivery systems, health plans, managed care organizations, public programs, clinics, hospitals, physicians, and pharmacies routinely assign identifiers to individuals for use within their systems.

IIN Issues



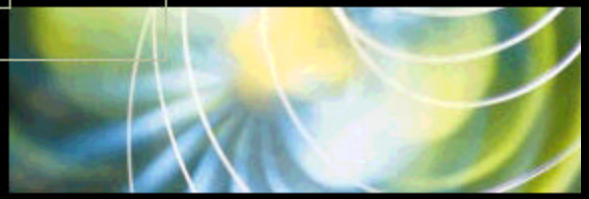
- Controversy over the adoption of a standard for the unique health identifier for individuals has focused, to a large degree, on privacy concerns.
- Some of these views contrast sharply with the previous discussion of the value a unique identifier for individuals would have in clinical practice.
- The privacy issues are substantive, not a trivial concern or a public relations matter.
  - For some, privacy threats outweigh any practical benefits of improved patient care or administrative savings.
  - To others, privacy concerns are significant, but can be managed.
  - To many, the status quo poses greater privacy risks.

IIN Proposals



- The various proposals for unique identifiers for individuals fall into four general classes:
  - Unique Identifier Proposals Based on the SSN
  - Unique Identifier Proposals Not Based on the SSN
  - Proposals That Do Not Require a Universal, Unique Identifier
  - Hybrid approaches which do not include a unique identifier but that may nevertheless allow each individual to be accurately identified in the health care system

convergence



Electronic Signatures

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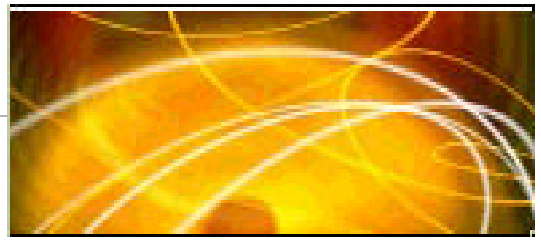
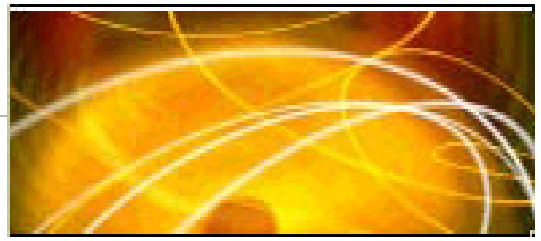
Electronic Signatures



- HIPAA directs the Secretary of the Department of Health and Human Services to coordinate with the Secretary of the Department of Commerce in adopting standards for the electronic transmission and authentication of signatures with respect to the transactions referred to in the law. This rule was developed in coordination with the Department of Commerce's National Institute of Standards and Technology.
- *It should be noted that an electronic signature is not required for any of the currently proposed standard transactions.*
- When deployed, it has been proposed that the industry adopt a cryptographically based digital signature as the standard. (as opposed to electronic signatures which is a digital scan of the pen based signature).

HIPAA Requirements

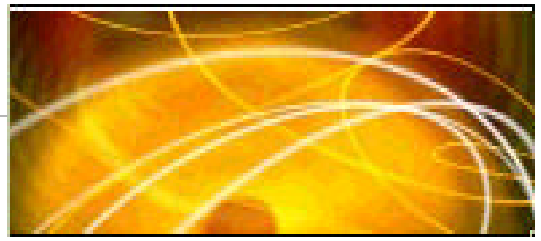


It is expected that the Electronic Signature standards will be pulled out of the Final Security Rule and promulgated in a separate NPRM

The proposed Security rule specifies that if used an electronic signature must accomplish the following:

- Identify the signatory individual
- Assure the integrity of a document's content
- Provide for non-repudiation, which is strong and substantial evidence that will make it difficult for the signer to claim that the electronic representation is not valid

Digital Signatures Summary



Requirement

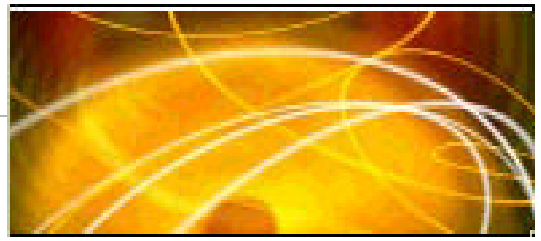
[1] While *optional* at this time, if digital signature is employed these features must be implemented

[2] These features are optional

Implementation

- Message Integrity [1]
- Non-repudiation [1]
- User Authentication [1]
- Ability to add new attributes [2]
- Continuity of signature capability [2]
- Counter signatures [2]
- Independent Verifiability [2]
- Interoperability [2]
- Multiple signatures [2]
- Transportability [2]

Questions?



Thank You!

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