Utah Health Information Network A Community-Based HIPAA Implementation

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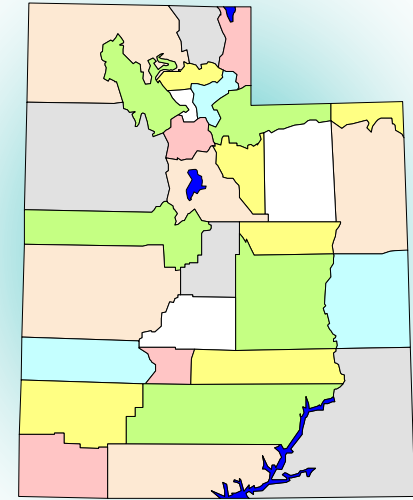## Jan Root, Ph.D.

Standards Manager

UHIN

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What is UHIN?

- State not-for-profit VAN
- Community owned coalition
  - Owners:
    - All payers (except) one in the state
    - UMA, Utah Hosp. Assoc., other providers
    - State government (Medicaid), others
    - Business representation
- Mission: Reduce the cost of health care through administrative simplification

Challenge

- Payers: don't want to spend $
  - Do it our way
  - Competitive, fragmented
  - Moderate to good IT resources
- Providers: don't want to spend $
  - Passive
  - Disorganized, fragmented
  - Moderate to poor/non-existent IT resources

History

- Utah: late 1980's
  - Little EDI (only 2 payers – Blue/Medicare)
  - Other payers wanted to get into EDI
  - Too small of a market to attract clearinghouses
  - Each payer was developing their own EDI/DDE system
- Providers: We won't do EDI many different ways
  - Create one standard and we'll play ball

History

- Reluctant coalition formed 1993
  - Goal: create an independent agent
  - Consensus
- Seed money: $25,000/member
  - Bought you a voting seat on the Board
- Hired 5 staff in 1993/4
  - 1st: Brought up an all-payer institutional billing system (relatively easy)
  - 2nd: Brought up an all-payer professional billing system (relatively awful)

UHIN e-Connect System - Today

Payers: must alter systems to meet standards

- Must purchase/ write their own translator

Providers: must alter PM systems to meet UHIN standards

- UHIN gives providers a translator/e-connect tool
- Or providers may use their own translator
  Must meet the UHIN standards

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UHIN: private network

○ all standard connections

UHIN is a VAN
Value is Key

- VAN – we don't 'open the envelope'
- Providers/Payers must use standardized transactions (like HIPAA), standard data
  - Everyone had to compromise

- Must provide **value** to members
  - Low EDI cost – initial value
  - UHIN is a national 'player' (WEDi, X12, etc)
    - UHIN offers free consulting to members

Immediate Value?
PROVIDERS

- One system to send 60-100% of their claims/receive payments
  - Responsibility for data quality
- All-payer edits in translator:
  - increased data quality (fewer rejections)
  - Claims got paid faster
- Reduced the cost of submitting claims
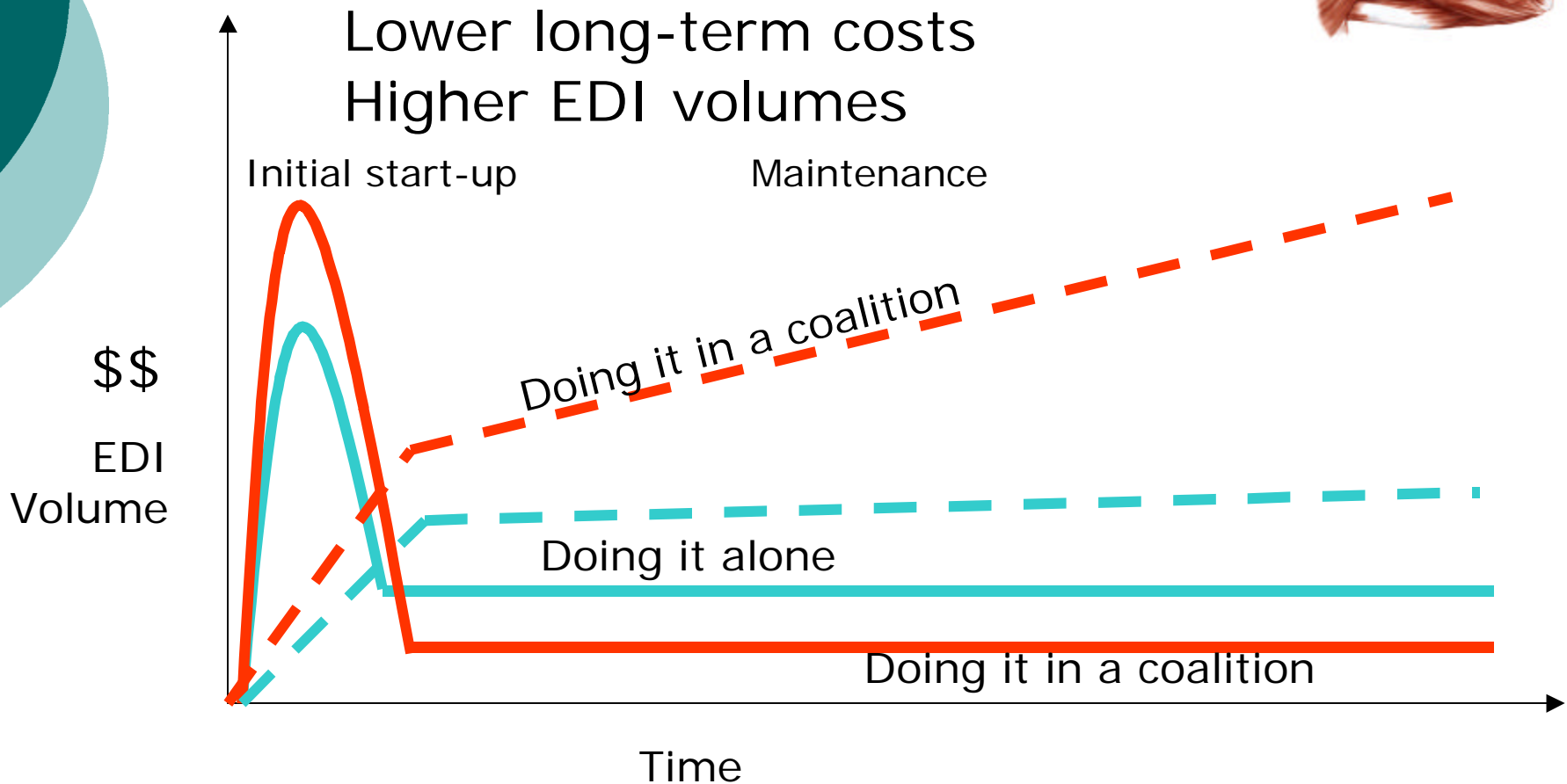- Improved business processes

Payer A

Payer C

Payer B

All claims → UHIN →
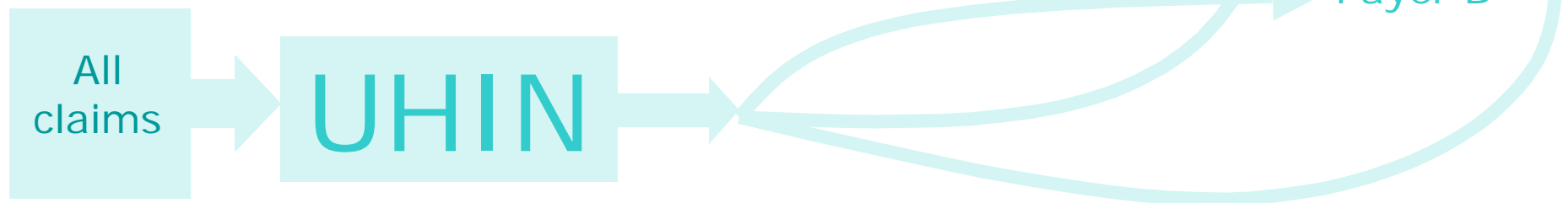
Immediate Value? PAYERS

- ROI in less than 6 months
- Payers who had been doing EDI
  - Significant increase in claim volume
- Began upgrading/redesigning claim payment systems
  - Purchasing automated adjudication systems designed for EDI
  - Immediate claim payment (cheaper than using a float)
- Re-engineering their business

Challenges - Big players

Lower long-term costs
Higher EDI volumes

$$ | EDI Volume

Initial start-up   Maintenance

Doing it in a coalition

Doing it alone

Doing it in a coalition

Time

The Age of HIPAA

- HIPAA makes good business sense
  - A further opportunity to optimize business processes & reduce costs
    - Transactions
      - Eligibility, Claim Status
    - Privacy
      - Increasing customer trust
    - Security
      - Moving to computerization, to the Internet
- UHIN members intend to take full economic advantage of HIPAA to reduce the cost of doing business
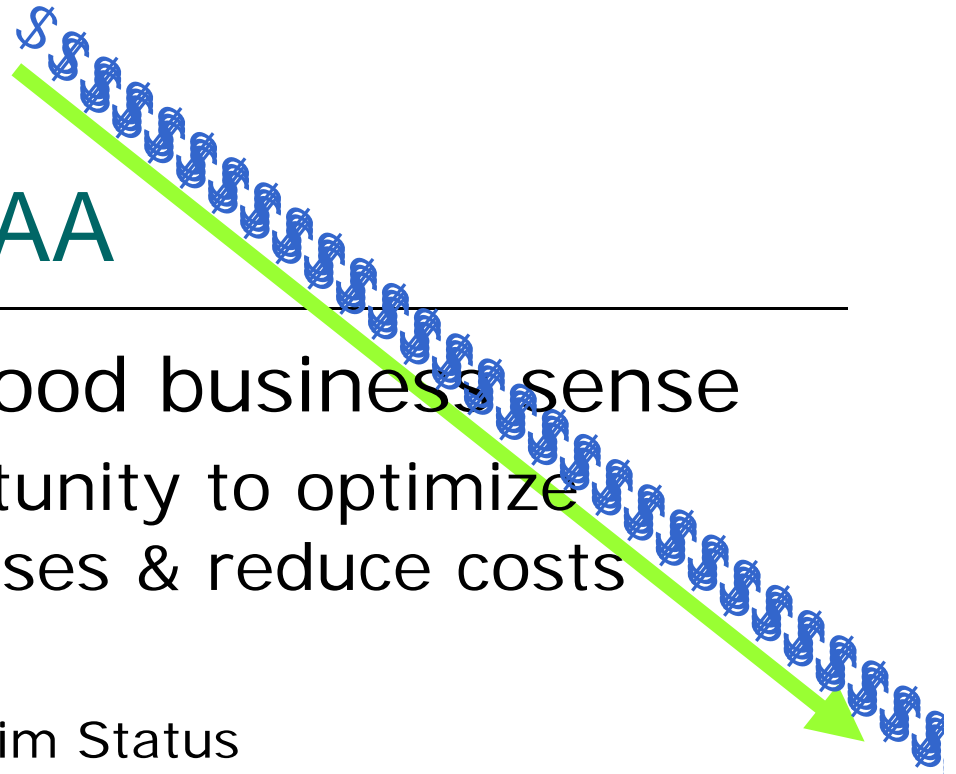
UHIN - Future

- UHIN moving to an Internet system
  - Still 'generic' all-payer, all-provider
- Offer all HIPAA transactions
  - (plus some more, e.g., standardized front-end claim acknowledgement)
  - Will be implementing attachments trxn
- Security:
  - PKI at the organizational level
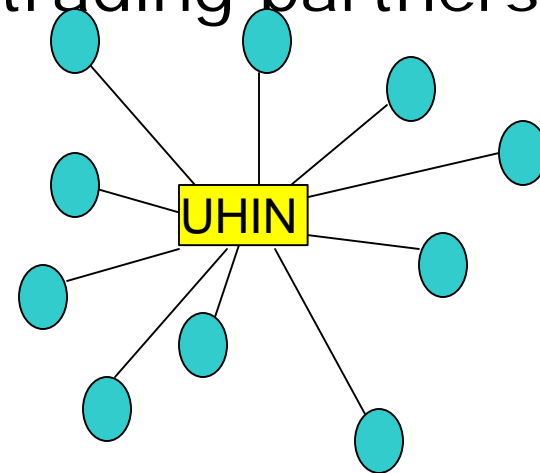 - Apportioning security risk/responsibility

UHIN Benefits - Legal

- UHIN created a community-wide electronic commerce agreement (ECA)

  - Signing UHIN's ECA satisfies privacy requirement for all trading partners in UHIN.
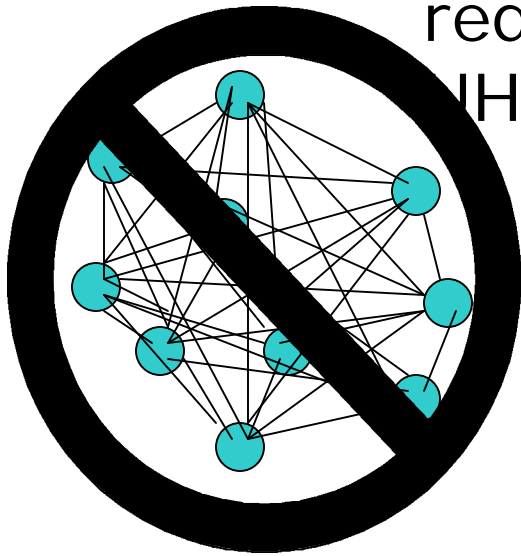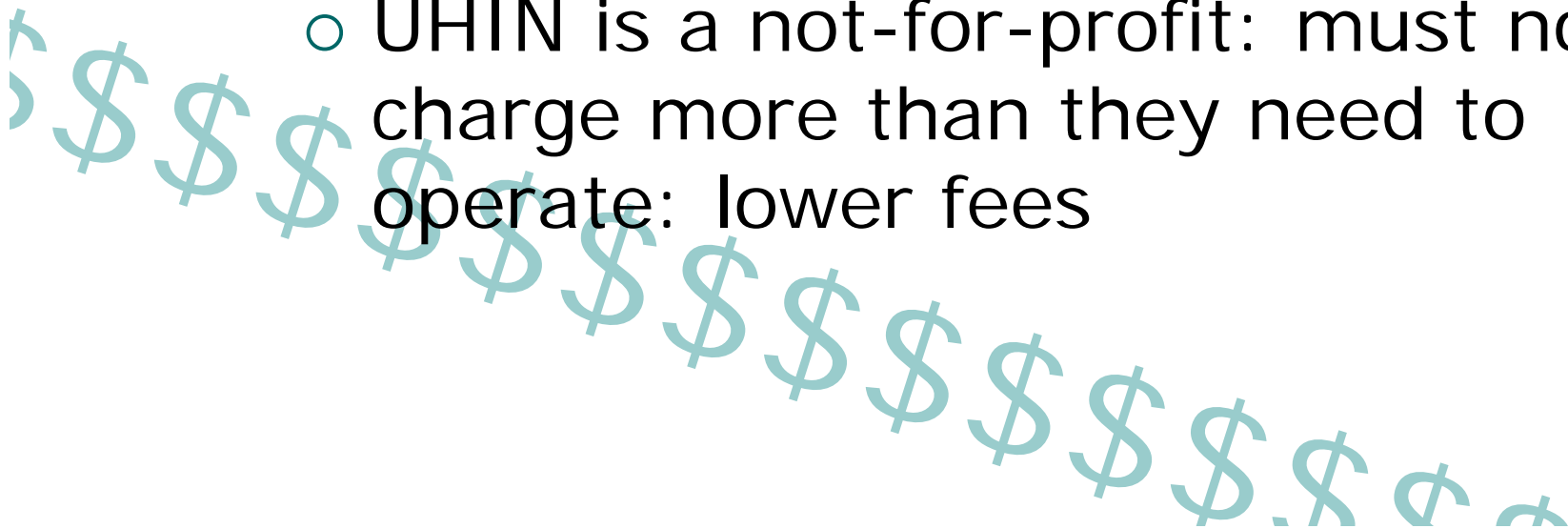
Many privacy agreements

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One privacy agreement

UHIN Benefits – Cost to Members

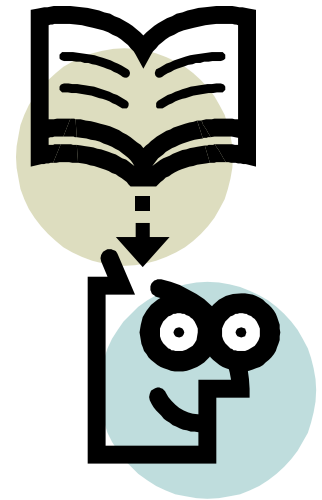- UHIN owners set rates
  - Payers: pay per claim (24¢ $\longrightarrow$ 12¢)
  - Providers: pay annual membership fee ($100 $\longrightarrow$ $50/year for 1 doc shop)
- UHIN is a not-for-profit: must not charge more than they need to operate: lower fees

UHIN Benefits - Education

- State-wide educational efforts
  - Business-based HIPAA implementation of the transactions
    - How to use them to save money
  - Privacy awareness
  - Security
    - Reasonable and appropriate

HIPAA Cost Comparison Tool

- Simple spreadsheet
  - Excel or Word
  - You put in YOUR practice data
- Ballparks savings from implementing HIPAA transactions
- UHIN data: varies by provider type
- www.uhin.com
  - Education
    - Tools – HIPAA Cost Comparison Tool
    - Free

HCCT

Benefits
UHIN Provider Software

- Generic
- Based on the <u>HIPAA Standards</u> not on any one member's needs
- (Theoretically) Anyone could use UHIN's software:
  - One size fits all
  - Software handles all HIPAA transactions (and then some)
  - Used for public health reporting

Benefits
Security and the Small Provider

- UHIN is a community resource
  - Obligation to serve small providers
- USET = UHIN Security Education Tool
  - Free to members
  - Walks user through all requirements of Security NPRM
  - Help in writing security policy and procedures
- Goal: Raise awareness of the importance of security
- Reasonable and appropriate security makes good business sense

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- Utah Health Information Network
- Community-based, State not-for-profit
- More information:
  - www.uhin.com
  - Jan Root
    - 801-466-7705 x202

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