

HIPAA Implementation and Compliance Strategies for Rural Providers

Speakers

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HIPAA...Implement? Comply? How?

- How will rural hospitals meet HIPAA privacy and security compliance?
 - ◆ FUNDING
 - ◆ CHOICES
 - ◆ VALUE

Rural Hospital Numbers

- Nationwide: 2500
- Critical Access Hospitals: 700+
- Less than 50 beds: 1430+

Initial versus Long-term Funding

- Where do we get the funding for HIPAA compliance?
- Once we get the funding, how should the dollars be spent?
- How do hospitals get the best value for the dollars spent?

HIPAA Funding: Present Solutions

- Unique to Small, Rural Hospitals
 - ★ Small rural hospitals are not mini-big hospitals
 - ★ SHIP Grants
- Similarities to Large Hospitals
 - ★ Corporate Grants
 - ★ Individual Hospital Budgets

HIPAA Funding: Future Possibilities

- Consortium Formation
- Corporate Mentoring
- Tax-credit Legislation
- Accelerated Depreciation for Hospitals
- Increased coordination with State Flex(Medicare Rural Hospital Flexibility) grantees
- Sequestering support for a \$50 million budget for 4 years

SHIP Grants

- Summer, 2002 applications
- Individual state offices and DKCS, Inc. contacted, called over 1400 hospitals and faxed 300+ applications to eligible candidates
- Short-term acute care hospitals; rural areas; 49 beds or less
- New paradigm for numbers of rural hospitals: 1430

SHIP Grant Uses

- Prospective Payment Systems(PPS)
- Health Insurance Portability and Accountability Act (HIPAA) Implementation and Compliance
- Quality Improvement(QI)

SHIP Grant Results

- Approximate Percentages
 - ◆ 8% for PPS
 - ◆ 62% for HIPAA
 - ◆ 30 % for Quality
- Disbursement Pattern
 - ◆ 61% to Hospitals
 - ◆ 39% to Non-Hospitals
 - ★ 15% to State Offices of Rural Health
 - ★ 24% to Networks/Consortiums

SHIP Grant Use of HIPAA Allocation

- Submitting an extension plan
- Understanding Requirements:
 - ◆ Training
 - ◆ Pre-emption Studies
- Consultants
- Computer technology: Hardware and Software
- Equipment and Facility Changes
- Printing
- Salaries: Privacy Officers
- Tele-Medicine: Privacy Implications

Understanding Requirements

- Training: HIPAA & Computer
 - ◆ Classes & Travel costs
 - ◆ Web-based
 - ◆ Handbooks
 - ◆ Conferences
 - ◆ Video-conference
 - ◆ Tele-conference
- Pre-Emption Studies
 - ◆ Federal Requirements
 - ◆ State Requirements

Consultants

- Legal: Education, Self-assessment, Upgraded Business Contracts
- Information Technology: Privacy
- HIPAA-specific: Education, Self-assessment, Computer Risk Assessment
- Network-Development Personnel

Computer Technology

- Purchase
- Upgrade
- Information Storage
- Gap Analysis, Security Audits, Authentication Process, Risk Management
- Programming
- Purchase interface to clearinghouse software
- Software for record tracking

Equipment & Facility Changes

- Re-key doors
- Touch-pad key door locks
- Lockable chart racks
- Construction costs
- Shredders
- Privacy shields
- New fax machines with user codes
- Private Physician Dictation Systems
- Moving Costs

Printing

- Education of consumers regarding the privacy & confidentiality provisions
- Patient hand-outs
- Forms
- Policies and procedures
- Templates
- Compliance Manual

Advantages of Networking & Consortium Formation

- Best way to maximize funding dollar is to pool the dollars of the individual hospitals.
 - ◆ Some SORH are contracting with the hospital associations to manage funds to assure the individual needs of the hospitals are met, assure flexibility and timeliness
- Interstate hospital alliances

Positive Networking & Consortium Formation

- Each consortium member is represented in building consensus to pursue appropriate purchasing agreement
- SORH Consortia pool dollars for purchase of common interest activities
- Some are planning educational sessions for small rural hospitals using financial sources other than SHIP funds

Negative Perceptions of Hospital Associations

- Why won't hospitals join with the Hospital Associations in each state?
 - ◆ Some small rural hospitals perceive an uncaring attitude from the hospital associations
 - ◆ Some states such as Texas, California and Louisiana, have their own small rural hospital associations

Reluctance to Form Consortiums & Networks

- What prevents hospitals from coming together and pooling funding to meet a common need?
 - ◆ Distrust? Lack of need? No fear?
 - ◆ Need for autonomy? Whose need?
 - ◆ Avoidance of bureaucratic structure?
 - ◆ Time
 - ◆ Significant local immediate needs

Potential Problems

- Competent Consultants
- Vulnerability to Vendors
- Ignorance
 - ◆ To HIPAA Requirements
 - ◆ No Need for Compliance: “We don’t need any money.”
- No case law
- Bioterrorism

Legislative Impediments

- Law does not foster bringing hospitals together
- Legally, grants must be given to the individual hospitals
- Should be able to give the money directly to the states, but cannot do this

Corporate Grants Present

- Do larger hospitals associations or corporations feel any sense of obligation or responsibility to smaller hospitals?
 - ◆ Consortium formation by small rural hospitals increases chances of corporate grant funding
 - ◆ Structure a mentoring program with larger area hospitals to be used only for HIPAA

Proposed Tax-Credit Legislation

- WHO?
 - ◆ Rural hospitals
 - ◆ Primary care providers
- WHAT?
 - ◆ Costs of HIPAA Implementation
 - ★ Coding
 - ★ Privacy and Security
 - ◆ Computer Purchase/Upgrades
- WHEN?
 - ◆ Immediate (2002) and Retroactive (2001) for Coding and Transactions & Training
 - ◆ Future costs when Security Requirements are finalized

Support Affidavit

- Additional SHIP funding
 - ◆ Yes
 - ◆ No
- Tax Credit Legislation
 - ◆ Yes
 - ◆ No
- Name _____
- Organization _____
- Phone/E-Mail _____