



HIPAA in 24 Hours

Roy Rada, M.D., Ph.D.

Professor, UMBC, rada@umbc.edu

Director, HIPAA-IT LLC, rada@hipaa-it.com



I Have a Dream

I have a dream that

- similar entities will share HIPAA practices
- so as to agree common practices
- that proactively define compliant behavior for that entity type.



Wanted

Practices that are the

- Lowest common-denominator and
- Compliant

for an entity type.

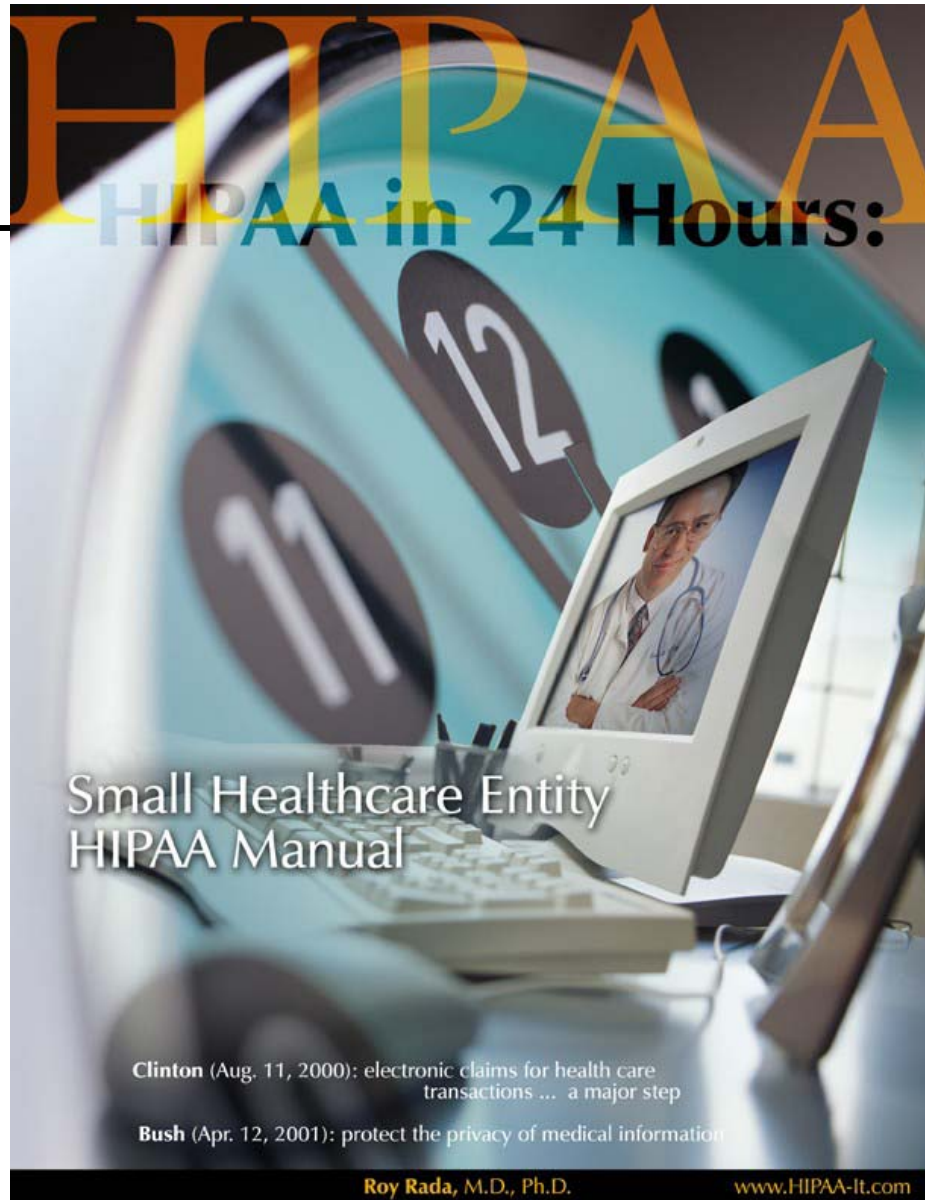


Start Small

For small health care entity, manual

- is 35 pages,
- is self-contained, and
- takes 24 person hours to implement.

Then we scale to large entity manual.





24 Hour Compliance

- Week 1: Executive reads awareness essay & passes manual to office manager – **1 hr.** Mission Accepted!
- Week 2: Office manager studies manual – **2 hrs.**
- Week 3: Office manager does ecommerce part – **2 hrs.** and convenes 'privacy' meeting of staff – **2 hrs.** of manager, **1 hr.** everyone else.
- Week 4: Privacy forms and policies distributed in facility and staff trained – **2 hrs.** office manager, **0.5 hr.** everyone else.



24 Hours (con't)

- Week 5: Contracts with external entities collected and assessed – **2 hrs.** office manager
- Week 6-7: Renegotiate business associate clauses – **2 hrs.** per week over 2 weeks office manager.
- Weeks, 13, 26, 39, and 52 – review progress – **2 hrs.** office manager.
- Assume facility has 1 executive, 1 office manager, 6 others.
- Total in first 7 weeks: executive 1 hr + office manager 14 hrs + assistants 9 hrs = **24 hrs**



Life Cycle Begins

Manual

- from sponsor (e.g., hospital) to small entity (e.g., physician) with request that
- executive read the awareness essay and pass manual to office manager.



Executive Awareness

Awareness essay
is 1,000 words.

- Gentle
- Reasonable
- Solution-filled

Begins: The executive in a small facility is challenged by budget reforms and legal minefields. The latest challenge comes in the form of HIPAA's Administrative Simplification provisions.



Ecommerce Gap Analysis

Have you	Yes	No
Analyzed business efficiency?		
Checked vendor compliance?		
Determined code gap?		



Business Efficiency Spreadsheet

1. Number of claims per week: 215
2. Average claim value: \$191
3. Time to prepare a manual claim: 6 minutes
4. Time to prepare an electronic claim: 0.5 minutes
5. Staff cost per hour: \$14
6. Manual cost per year: $\#1 * \#3 * \#5 * (1 \text{ hr}/60 \text{ min}) * (52 \text{ wks}/\text{yr}) = \$15,652.$
7. Electronic cost per year: $\#1 * \#4 * \#5 * (1 \text{ hr}/60 \text{ min}) * (52 \text{ wks}/\text{yr}) = \$1,304.$
8. Labor saving is $\#6 - \#7 = \$14,348.$
9. Bad debt now: 10 %
10. Bad debt after automation: 5%
11. Annual savings from debt change:
 $\#1 * \#2 * (\#9 - \#10) * (52 \text{ wks}/\text{yr}) = \$106,769.$

General Practice Information		Your Information	Automated Process
Number of Visits Per Week		260	x
Average Claim Value (\$)		\$191	x
Number of Visits with Insurance per week		215	x
Staff Cost per hour (\$/hr)		\$14	x
Average number of eligibility checks in a week		33	x
Average number of claim follow-ups in a week		44	x
Average number of referrals in a week		25	x
Obtain eligibility on a patient	Minutes	11	0.5
Prepare a claim	Minutes	6	0.5
Post a Payment	Minutes	11	0.5
Obtain status of a claim	Minutes	18	0.5
Referral check	Minutes	13	2
Eligibility Verification	Yearly Cost	\$4,404.40	\$ 200.20
Claims Preparation	Yearly Cost	\$15,652.00	\$1,304.33
Account Posting	Yearly Cost	\$28,695.33	\$1,304.33
Claim Status Follow-up	Yearly Cost	\$9,609.60	\$ 266.93
Referral Prepared	Yearly Cost	\$3,943.33	\$ 606.67
Total Estimated Yearly Costs		\$62,304.66	\$3,075.79
POTENTIAL YEARLY SAVINGS		\$59,228.87	
Overall level of bad debt in the cell below in the first column. A guess as to your bad debt after you were to do more eligibility inquiries, claim status inquiries, and referral checks in the second column.			
		0.10	0.05
Increase in Potential Profits – Yearly (\$)			\$129,116.00



Letter to Clearinghouse

Please explain:

- your timeline to address transaction changes and
- what you expect the practice to do and
- what code gaps to expect



Ecommerce Finished

- React to clearinghouse
- Prepare for longer-term computerization



Privacy

- Patient Rights
- Communication
- Administration



Patient Rights Checklist

<i>Do you have?</i>	<i>Yes</i>	<i>No</i>
Notice of Privacy Practices		
Authorization		
Access and Amend Policy		
Accounting and Restriction Policy		



1-Page Notice of Privacy Practices

THIS NOTICE DESCRIBES HOW HEALTH INFORMATION ABOUT YOU MAY BE USED ... AND HOW YOU CAN GET ACCESS ...

.....

Acknowledgement of receipt of Notice of Privacy Practices:

Signature: _____



Authorization

AUTHORIZATION for RELEASE of
INFORMATION

I hereby authorize the use or disclosure
of my individually identifiable health
information as described below.



Policy on Access

Access Right

We give you access to your health information ... Exceptions to this access occur rarely ... If we feel we need to deny access, we must provide an explanation. ... You may request access verbally or in writing, and we have 30 days in which to provide the information. We will charge .. \$0.20 per page.



Accounting of Disclosures

The patient has a right to receive an accounting of certain disclosures of protected health information ... Our accounting to the patient will:

- Include the dates of disclosure and to whom the information was sent, ...



Restrictions

The patient may request restrictions on our disclosure of the patient's protected health information beyond those restrictions already imposed by the government. ... if we accept the request, then we must



Communication Checklist

<i>Do you have policies for?</i>	<i>Yes</i>	<i>No</i>
Phone and face-to-face		
Email and fax		
Medical records		



Email Policy

Not required to have this per se.

Ownership and User Privacy of E-Mail

All e-mail originating within or received into <ENTITY> is the property of <ENTITY>.

Confidentiality of Electronic Mail

When e-mail is used for communication of individually identifiable health information, specific measures must be taken to safeguard confidentiality. These safeguards follow:



Fax

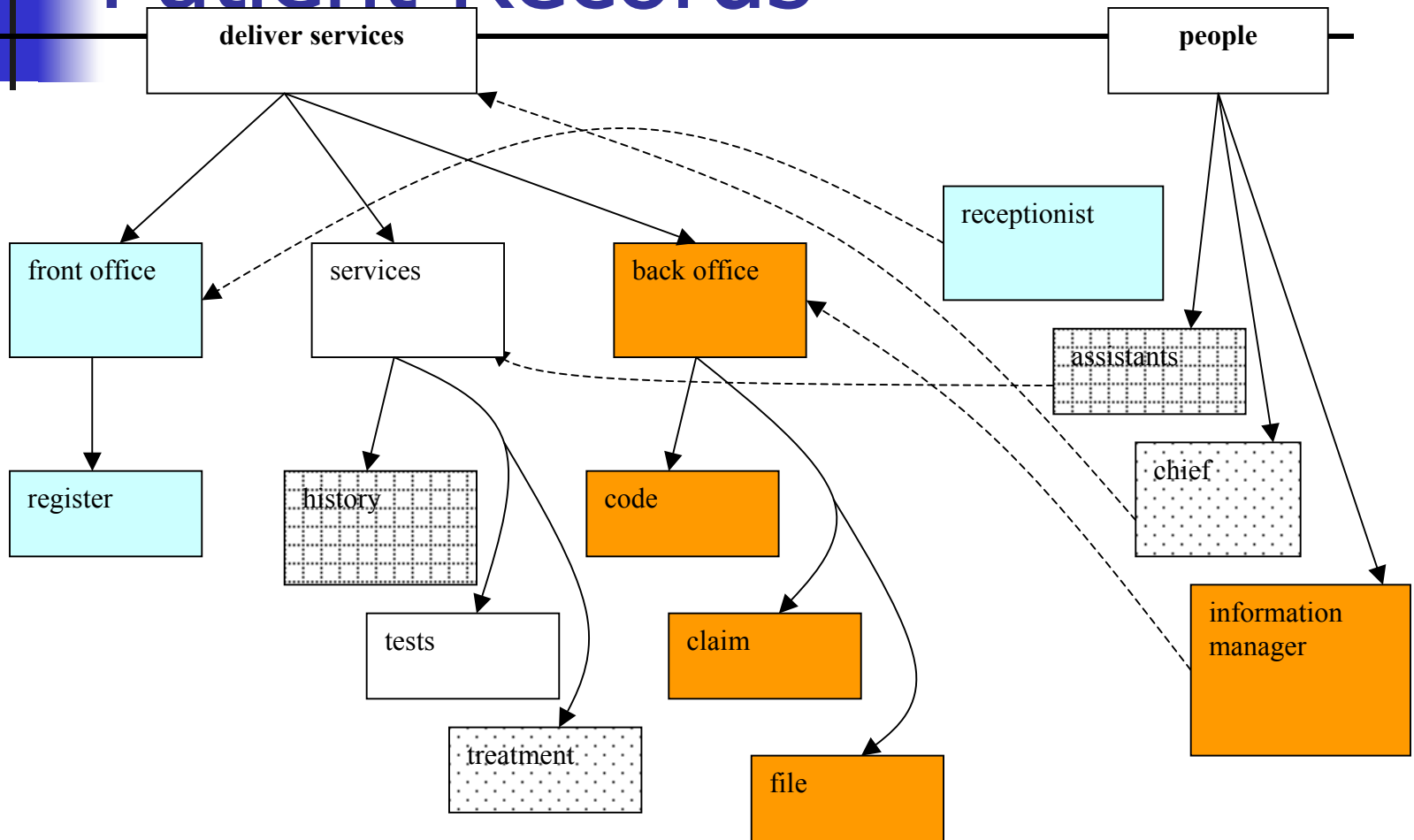
Not required to have this per se.

For each fax machine a specific staff person is responsible to

- ⑩ Remove documents promptly
- ⑩ Notify senders of problems
- ⑩ Follow the instructions on the cover page

The office manager has oversight responsibility that all fax machines are appropriately monitored.

Patient Records





Administration Checklist

<i>Do you have?</i>	<i>Yes</i>	<i>No</i>
Privacy Officer		
Business Associate Contracts		
Accountability		
Safeguards		
State pre-emptions		
Training		



Business Associate Contract

- THIS CONTRACT is entered into on this _____ day of _____ between _____ (“ENTITY”) and _____ (“ASSOCIATE”).
- WHEREAS, ENTITY will make available to ASSOCIATE certain Information that is confidential and must be afforded special treatment and protection.



Tracking Disclosures

Exceptional Disclosures for J. Patient

Date	To whom Sent	What was Sent	Purpose

Safeguards

- Physical safeguard – lock doors
- Technical mechanisms – encrypt Internet transmissions
- Technical procedures – do backups
- Administration – train and audit





Staff Training

All staff are involved in protecting health information. Staff should be aware of the penalties that could be levied against them by the Federal government. Fines reaching \$250,000 and imprisonment can be imposed on clinicians, receptionists, cleaning staff, or any others.



Tracking Training

Privacy Training			
Person's Name	Date Completed		
	Executive Essay	Staff Essay	Entire Manual



Set of Tables

A few MS Word or paper tables could accommodate the range of expected behavior documentation.



Costs for Small Facility

- Easy: 24 Hours or \$2000
- Ecommerce: clearinghouse
- Privacy: Notice (1 pg), Authorization (1 pg), Rights Policy (2 pg), Communication Policy (4 pg), Business Associate Contract (2 pg), Tracking (5 tables), Training two essays (3 pages)



As Entities Get Larger

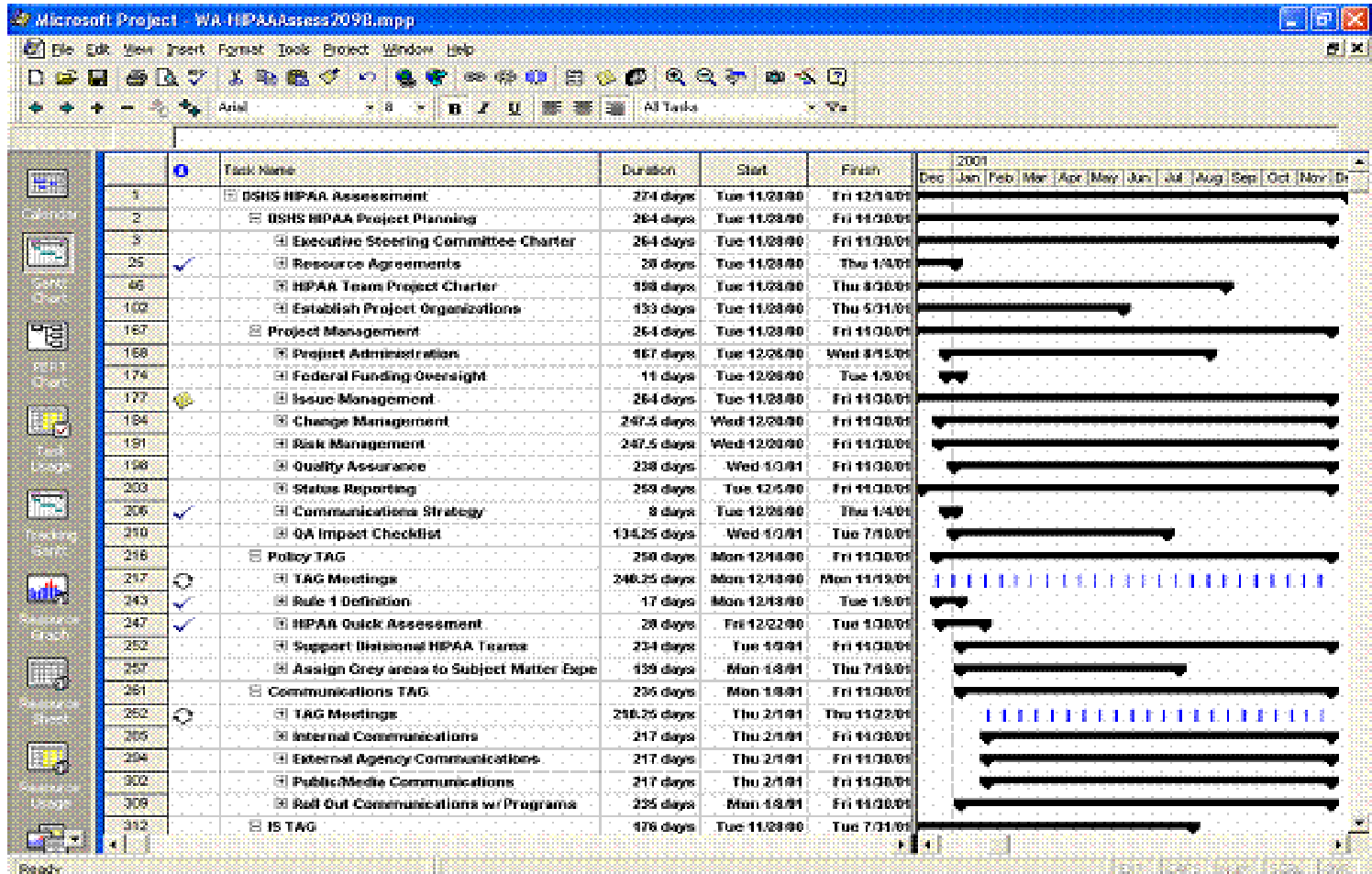
- More roles.
- More policy specifics.
- More existing infrastructure to match.
- An opportunity to further harmonize or a bigger headache.



Staffing

- Executive passes *ecommerce* to CFO or CIO and *privacy* to Legal Counsel or CCO.
- In hospital, departments represented include administration, information systems, finance, legal, compliance, inpatient, ambulatory, and medical records.

Microsoft Project





Ecommerce

Alternatives larger:

1. rely on clearinghouse,
2. translate on the border, or
3. internally integrate.

As go from 1 to 3 the short-term costs rise but long-term costs drop.



Short-term Costs

- Clearinghouse free
- Translators purchased for \$ tens of thousands but tailoring to work costs \$ hundreds of thousands, and
- Internal integration is \$ millions.



Long-term Costs

- Workflow analyses reveal increasing FTE savings as further integrate
- Bad debt reduces as integrate



Privacy

- Notice of Privacy Practices longer
- Retrieving designated medical record set is more complicated
- Number and complexity of policies grows as size grows
- Administration involves more roles



For example, training

Section '§ 164.530 Administrative requirements' includes this sentence:

- (b)(1) Standard: training. A covered entity must train all members of its workforce on the policies and procedures with respect to protected health information required by this subpart, as necessary and appropriate for the members of the workforce to carry out their function within the covered entity.



Roles to be Trained

Roles Ri in clinics plus health plan

- R1 Medical Doctors.
- R2 Medical Assistants.
- R3 Clinic Regional Administrator.
- R4 Claims Examiners.
- R5 Provider Information Analyst.
- R6 Application Operations Analyst.
- R7 Member Services Representatives
- R8 Authorizations Specialist.
- R9 Billing Representative.
- R10 Enrollment Representative.

Content to Roles for Training

Privacy Rule Component P_i (like Notice) to Role R_i

Pi to Ri need-to-know of ++, +, 0										
	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10
P1	++	++	++	+	0	0	++	++	0	0
..										



Costs for Hospitals

Based on HIPAA Advisory Survey:

- \$1600 per bed for small hospital
- \$800 per bed for large hospital

Thus for 500 bed is \$400,000



Conclusion

- What works differs from small to large entities.
- Entities should share and define the standard for their entity type.



How to Share?

- The government should help.
- Events like this HIPAA Summit help.
- Emphasize being reasonable and flexible.

Think 'Hip' not 'Hippo'





I have a dream that

- small entities share a small manual and large entities, a large manual.
- in the eyes of government those entities will be compliant!

I would like to work with you to realize this dream.