



Countdown to Compliance For HIPAA

Results of the Summer 2003
Industry HIPAA Survey
conducted by
HIMSS and Phoenix Health Systems

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15th! Healthcare Industry Quarterly HIPAA Survey

- Conducted in collaboration by **Phoenix Health Systems** and **HIMSS**
- Participants completed online survey during early July 2003, at website HIPAAAdvisory.com
- Expanded from previous surveys

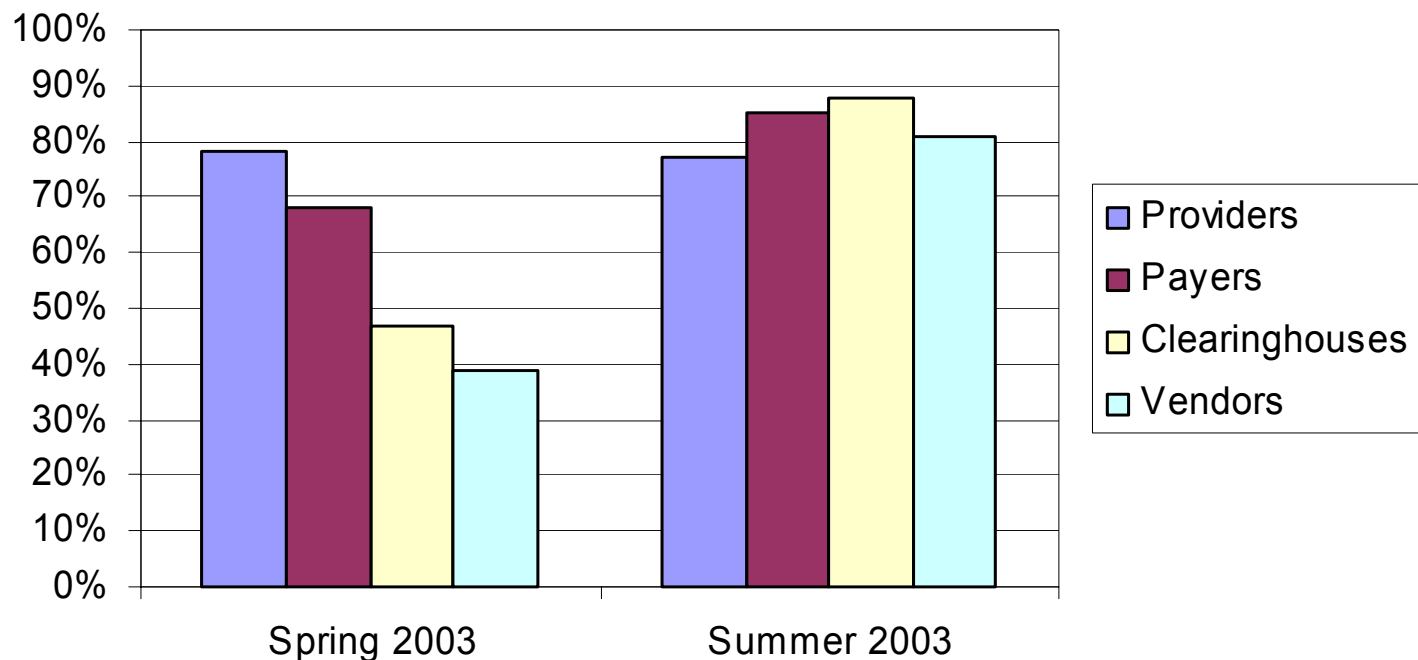
Who Participated?



- 571 industry representatives across the nation responded
- Providers - 71% of total respondents:
 - Hospitals represented 47% of the total
 - Remainder were physician practices and other providers
- 30% of respondents were payers and vendors, and a few clearinghouses
- Almost 90% have an official role

Privacy Progress

**Industry HIPAA Privacy Compliance
Comparison between Spring and Summer 2003**



Privacy Progress

- Non-provider privacy compliance has improved dramatically since the Spring 2003. Reporting compliance:
 - 88% of clearinghouse (up from 47%)
 - 81% of Vendors (up from 39%)
 - 85% of Payers (up from 68%)
- Providers represent the least Privacy-compliant segment of the healthcare community: at 77%. (78% in April)

Privacy “Spot-Check”

Detailed Spot Check of “Privacy-Compliant” Organizations		
Areas of Privacy Compliance	Providers	Payers
Post and distribute Notice of Privacy Practices	99%	98%
Obtain acknowledgement of receipt of Notice of Privacy Practices	98%	N/A
Obtain Patient Authorizations for use and disclosure of PHI	98%	94%
Enable mandated patients’ rights (review, amend, restrict records)	95%	94%
Provide ongoing Privacy training	95%	95%
Maintain Accounting of Disclosures	88%	96%
Document Privacy policies and practices	87%	93%
Use “Minimum Necessary” Restrictions	83%	N/A
Provide overall workforce Privacy training updates	80%	85%
Implement security protections as required under the Privacy Rule	79%	88%
Monitor organizational compliance with Privacy regulations	65%	76%
Have obtained all required Business Associate Agreements	61%	74%

Transactions & Code Sets Expected Progress

	Ready for One	Ready for All	Down From
Payer	82%	62%	79%
Vendor	67%	46%	68%
Clearing- House	88%	63%	86%

Transactions & Code Sets Progress

- 81% of providers have either completed or expect to have completed their TCS gap analysis before October.
- 74% of Providers state they will have implemented all TCS changes by October
- “Not enough time” listed as the major roadblock
- Lack of cooperation/ communication among industry segments remains an ongoing impediment

Transactions Ready by October

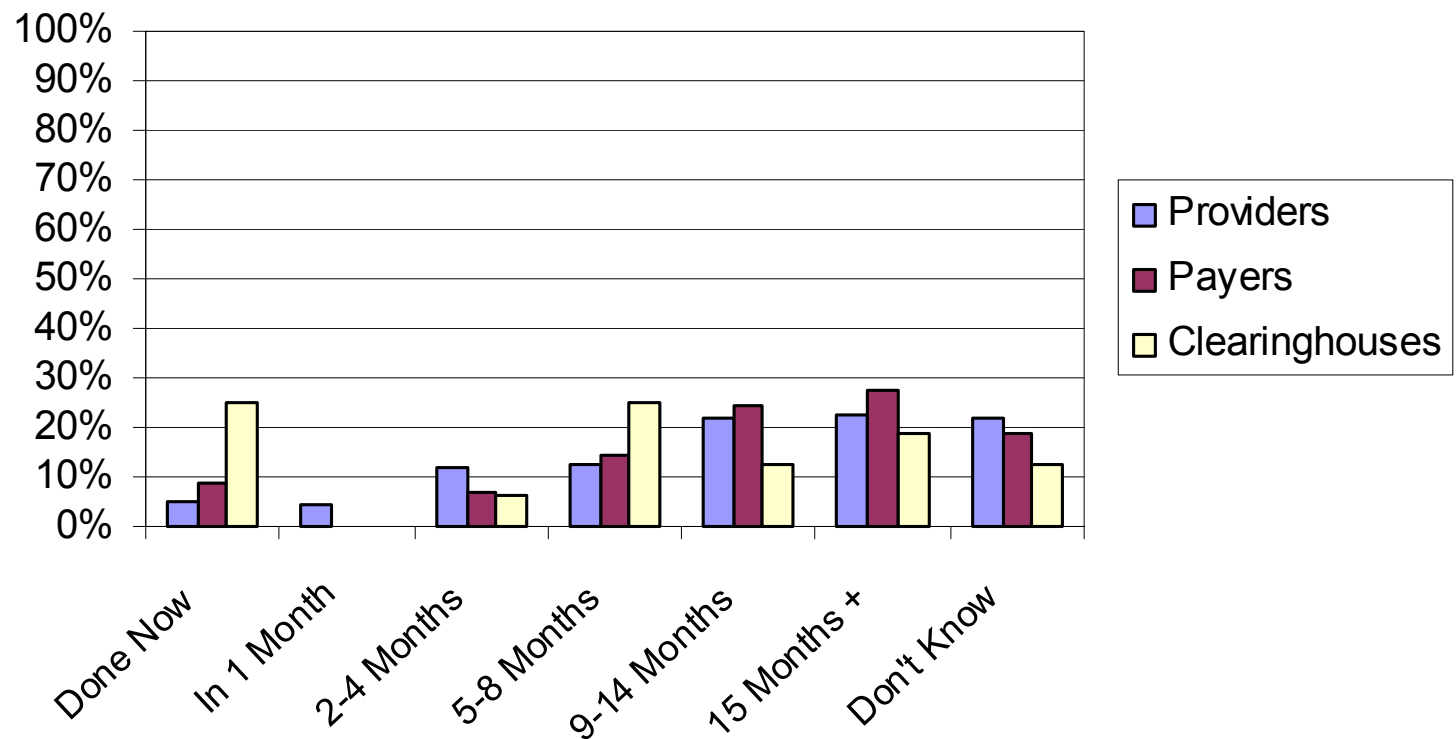
Transaction	Provider	Payer
837	76%	84%
835	55%	80%
270/271	32%	71%
276/277	29%	66%
834	13%	56%
820	6%	45%
None	1%	3%

Provider Obstacles

Provider obstacle	Percent citing
Payer not ready to test	48%
Payer not ready for transaction	37%
Non-compliant software	29%
Internal data collection	27%

Security Progress

**Security Remediation
Completion and Expected Completion Percentages**



Security Progress

- Security remediation efforts are progressing slowly – focus is currently on TCS and Privacy
- 20% did not know at time of survey when they will complete remediation efforts
- “New” security rule clearly a factor
- 20% believe that they don’t meet the security provisions of the privacy rule

Consultant Support

- 45% of participants reported currently using outside consultants:
 - 50% reported consulting used for awareness, assessment, implementation of Privacy
 - 48% reported consulting for TCS compliance
 - Payers and large hospitals are most likely to engage outside assistance



HIPAA Budget Highlights

- Hospital budgets for HIPAA compliance in 2003 are generally higher than 2002 HIPAA budgets.
 - However, spending seems to be leveling off.
 - Budget figures for this quarter are actually lower in most cases than Springs
 - Especially among small to medium-sized hospitals.



Summary

- Main focus is on Transactions compliance, with Security compliance a secondary priority
- Privacy compliance is not complete, and providers are now trailing the industry
 - A significant number of those reporting complete still have issues
- All parts of the industry must be ready for transactions to work, and clearly that won't happen in October
- Security compliance is at least a year off for many
- Spending is leveling off

Complete Survey Results

- Composite summary of the survey results are available at this session
- Survey information is be published at www.HIPAAAdvisory.com, -- compare results with previous surveys!



Questions About Survey

- For further information about the Quarterly Industry HIPAA Surveys, contact:

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