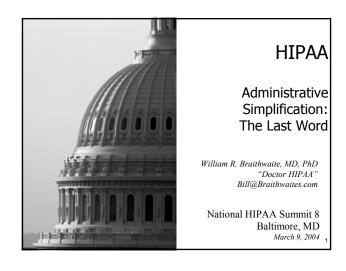
HIPAA Administrative Simplification



Purpose of Administrative Simplification

- "To improve the efficiency and effectiveness of the health care system
 - by encouraging the development of a health information system
 - through the establishment of standards and requirements for the electronic transmission of certain health information."

Cost, Quality, Standard Relationship

- •Standards-based automation of routine functions lowers rate of rising costs (labor).
- Only possible if accompanied by process redesign.
- •Standardized data increases its usefulness for quality improvement studies.
 - 4th leading cause of death = medical errors!
- •Clinical information standards enable cost-effective IT support at point of clinical decision making.
- Which in turn, leads to fewer errors, higher quality care, and lower costs (e.g. e-Rx, CPOE, EMR).

HHS Required to Adopt Standards:

- Electronic transmission of specific administrative and financial transactions
 - (including data elements and code sets)
 - List includes claim, remittance advice, claim status, referral certification, enrollment, claim attachment, etc.
- Unique identifiers (including allowed uses) – Health care providers, plans, employers, & individuals.
- Security and electronic signatures – Safeguards to protect health information.

Privacy

- For individually identifiable health information.

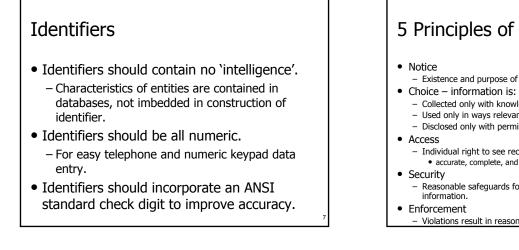
HIPAA Standards Philosophy

- To save money:
 - every payer must conduct standard transactions.
 - no difference based on where transaction is sent.
- Standards must be:
 - industry consensus based (whenever possible).
 national, scalable, flexible, and technology neutral.
- Implementation costs less than savings.
- Continuous process of rule refinement:
 - Annual update maximum (for each standard) to save on maintenance and transitions.

Transaction Philosophy

- One format for each transaction

 with minimal variation based on plan.
- One rule for each data element – with well defined requirements (few options).
- One code set or vocabulary for each element – with rapid additions as needed.
- One method of identifying all players – with unique identifiers for all.
- One method of secure transmission for all – Oops ...



5 Principles of Fair Info Practices

- Existence and purpose of record-keeping systems must known.
- Collected only with knowledge and permission of subject.
- Used only in ways relevant to known purposes.
- Disclosed only with permission or overriding legal authority.
- Individual right to see records and assure quality of information. accurate, complete, and timely.
- Reasonable safeguards for confidentiality, integrity, and availability of
- Violations result in reasonable penalties and mitigation.

Key Security Philosophy

- Identify & assess risks/threats to:
 - Confidentiality
 - Integrity
 - Availability
- Take reasonable steps to reduce risk, and keep it low.

Timeline

- Legislation written 1994
- Law Passed 1996
- First proposed regulation 1998
- First final regulation 2000
- First implementation date 2003
- Last implementation date 2010 +

Strategic Implementation Points

- Keep vision in your Strategic Planning.
- Participate in Rule Making.
- Implement Ahead of Requirements if possible.
- Understand & Control your Data Flows.
- Consolidate Requirements.
- Enable Technology Flexibility.
- Insist that Trading Partners Follow the Rules.
- Don't Do It Alone.

Next ...

- 1:15 Kepa Zubeldia
 - HIPAA Transactions Testing Update
- 1:45 Janet Marchibroda - Beyond HIPAA: Building Blocks for a NHII
- 2:15 Break
- 2:30 7 Concurrent Sessions - on HIPAA implementation issues.
- 3:30 Ask the Experts: An Advanced HIPAA Problem Solving Roundtable
- 4:30 Adjourn