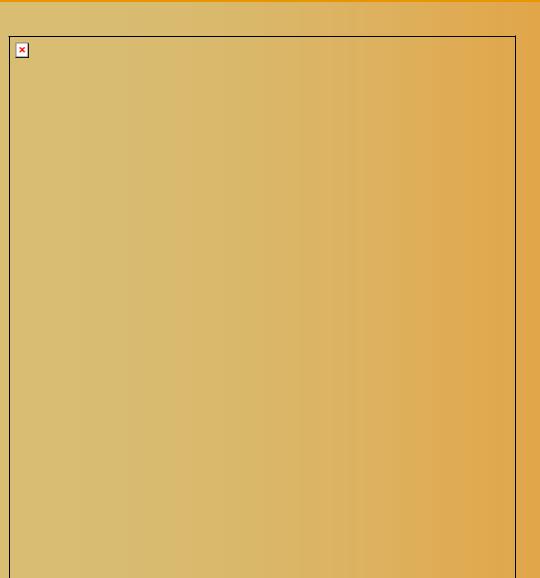
HIPAA Administrative Simplification



Transaction
Compliance Date
Extension &
Privacy Standards
NPRM

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HIPAA – AS Final Rules

Transactions Final Rule - 8/17/00

Set Compliance Date for most at 10/16/02.

Significant number of complaints about time.

ASCA 12/27/01 offers conditional extension.

Modifications NPRMs expected soon.

- Privacy Final Rule 12/28/00
 - Set Compliance Date at 4/14/03.
 - Privacy Guidance issued 7/6/01.
 - Modifications NPRM 3/27/02.
 - Comments due 4/26/02.



ASCA Overview

Administrative Simplification Compliance Act (ASCA)

Signed December 27, 2001 (P.L. 107-105)

Mechanism for covered entities to apply for an extension of compliance date

- to October 16, 2003
- only for the Transaction and Code Sets rule.

No paper Medicare claims will be paid after October 2003.

Why the Compliance Act Passed

Healthcare industry would not be ready to meet the October 16, 2002 compliance date.

 Consideration for complexities and time commitment for EDI testing requirements.

Sets definitive timelines for compliance.

Raises awareness to corporate officers.

Provides substantial additional penalties for noncompliance.

Provides additional funding to HHS to ensure timely implementation.

Not a 'Delay'

Compliance Act is not a "one-year delay."

Provides only a six-month safety valve to allow institutions extra time to comply.

All covered entities must plan to begin testing

by April 2003

No extension of the requirement to be compliant with the Privacy rule

by April 14, 2003.

Extension - Conditions

Automatic extension if covered entity meets certain conditions:

- Covered entity must submit a compliance plan by October 2002.
- May use model form from HHS.

No federal penalties for non-compliance during the 6-month testing period

Expected Transactions NPRMs

NPRM to adopt X12 addenda to IGs.

- Addenda available at <u>www.wpc-edi.com</u>.
- Simple 'adoption' without comment is expected.

NPRM fixing errors in transaction rule.

- Recind NDC code adoption.
- Adopt X12N instead of NCPDP standard for remittance advice transaction for retail pharmacy.
- Adopt NCPDP instead of X12N standard for referral authorization transaction for retail pharmacy.

Requirements for Privacy

HIPAA requires:

- "Standards with respect to the privacy of individually identifiable health information ..."
- Final Rule published 12/28/2000
- Guidance issued 7/6/01.
- Compliance required 4/14/2003.
- Continuing controversy over consent, minimum necessary, marketing, and others ...
- Modifications proposed in NPRM 3/27/2002.
 - Attempts to reduce burden without reducing privacy.
- Comments due by 4/26/2002

Consent to Use PHI

Written consent required before direct treatment provider may use PHI for TPO.

May be revoked in writing at any time.

Exceptions:

- emergency treatment situation,
- substantial communication barriers,
- when required by law to treat.

Not required for:

- Indirect Treatment Providers,
- Health Plans,
- Health Care Clearinghouses.

Minimum Necessary

Covered entities must make reasonable efforts to limit the use or disclosure of PHI to minimum amount necessary to accomplish their purpose.

Exceptions:

- Disclosure to or request by provider for treatment.
- Disclosure to individual.
- Under authorization (unless requested by CE).
- Required for HIPAA standard transaction.
- Required for enforcement.
- Required by law.

Marketing

A communication about a product or service a purpose of which is to encourage recipients of the communication to purchase or use the product or service.

Does not include communications that

- are made orally, or are in writing and the covered entity does not receive direct or indirect remuneration for making the communication;
- AND are for specific purposes relating to the furthering or managing of an individual's treatment.

Complex exceptions to rule that all marketing requires authorization.

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