

# HIPAA Compliance Strategies for IPAs and Medical Groups

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**A. John Blair, III, MD**  
**Chairman and Chief Executive Officer**  
**Taconic IPA, Inc.**  
**Fishkill, NY**

*August 22, 2002*

*THE HIPAA  
COLLOQUIUM at  
Harvard University*

# Background

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- ❖ Practicing Physician
  - 15 years
  - Revenue Reductions
  - Paper Hassles
  - Legal Issues
  - Managed Care Constraints

# Background

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- ❖ Managing Partner - Medical Group
  - 10 years
  - Practice Manager / Administrator
  - Staff
  - Budgets
  - Business Associates / Vendors

# Background

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## ❖ Owner - Billing Company

- 5 years
- Reimbursement
- Claims Issues
- Information Technology
- EDI

# Background

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## ❖ Chairman and CEO - IPA

- 2 years
- Understanding of the Healthcare Community
  - Hospitals, Laboratories, Pharmacies, Payors, Providers
- Payor Needs
- Physician Compliance
- Motivating Physician Community

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## ❖ 2300 Physicians

- 500 core physicians

- 10-80% case mix (average 30%)
- 125 offices
  - Range 1 to 60 physicians per office
  - Average 4 physicians per office
- Target group
  - Pilot Projects
  - Teaching Initiatives

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- ❖ One payor
- ❖ Multiple insurance products
  - HMO, PPO, POS, Indemnity, etc.
- ❖ 150,000 covered lives
- ❖ 6 counties
  - Mid-Hudson Valley, New York

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- ❖ What we do NOT do
  - Collective bargaining
  - Risk



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## ❖ What we DO

- Network development
- Credentialing
- Peer Review
- Pilot Projects
  - Internet Initiative
  - Evidence-based Medicine
  - Physician – Patient E-mail

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## ❖ What we DO

- Physician and Physician Office Staff Services
  - Provider Relations
  - IT Training and Support
  - Compliance and Coding
  - HIPAA

# HIPAA – State of Mind

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- ❖ Revenue reductions
- ❖ Regulatory burdens
- ❖ Legal burdens
- ❖ OIG recommended compliance plan
- ❖ HIPAA delays
- ❖ HIPAA hype

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# HIPAA – State of Mind

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- ❖ 25% of small practices are working on HIPAA EDI issues
- ❖ 17% of small practices have initiated planning for HIPAA

(Source: Phoenix Health)

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# HIPAA – State of Mind

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- ❖ Office surveys
  - Interviewed by provider relations staff
- ❖ 125 offices / 500 core physicians
- ❖ August 2001
- ❖ < 30% knew of HIPAA
- ❖ < 10% actively preparing for HIPAA

# Changing State of Mind

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Make it SIMPLE

Motivation



Save them MONEY

Buy-In

# The Plan

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- ❖ Communication
- ❖ Education
- ❖ Training
- ❖ Support

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# Communication

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- ❖ Provider Relations
- ❖ Taconic Talk

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# Provider Relations Staff

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- ❖ Acknowledged best physician support staff by community
- ❖ History of support
  - Payor policies and procedures
  - Coding
  - Claims support
  - Compliance
  - Internet Initiative

# Taconic Talk

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**Taconic IPA Committees & Committee Chairmen**  
**Credentialing Committee**  
 H. W. Fletcher, MD  
 meets on the first Tuesday  
 of the month at 7:30 AM

**Finance Committee**  
 Thomas S. Robinson, MD  
 meets quarterly on the third  
 Thursday of the month  
 at 6:00 PM

**Committee for Excellence in Care**  
 Michael D. Freedman, MD  
 meets on the fourth Thursday  
 of the month at 4:30 PM

Business Relations Manager

Volume 2 • Issue 5 • May 2002

## Taconic TALK

From the Taconic IPA.  
 Exclusive physician network for MVP.

A. JOHN BLAIR, III, M.D.  
 MESSAGE FROM THE CHAIRMAN & CEO

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**HIPAA Challenge**

The Taconic IPA, along with the medical societies of Dutchess, Orange, and Ulster Counties, recently concluded a three-day series of HIPAA seminars with more than 500 attendees. The sessions were very informative and were well received. From participating in these seminars, it became apparent to me that many offices are struggling with handling the vast amount of information in this sweeping mandated legislation.

In the weeks following conclusion of these seminars we received many phone calls requesting more information and additional updates this fall prior to the extension filing. We will be working with the county medical societies in our IPA area to coordinate additional information for our physicians and to try to coordinate another series of seminars in the fall. In this Taconic Talk I will outline the main areas that practices need to be focusing on, along with mentioning the important deadlines that need to be followed.

The first date to keep in mind is October 16, 2002, at which time offices must file a "compliance plan" (available at <http://www.cms.hhs.gov/hipaa/hipaa2/ascaform.asp>) for a one-year extension on meeting the standards for electronic data interchange (EDI), which includes claims submission, claims payment, claims status, eligibility, referral/authorization, etc. As pointed out in the seminars, these requirements will need to be met by your practice management system vendors, claims clearinghouses, and health plans. Since most of these entities will not be compliant by October 16, 2002, we strongly suggest that you file an extension. Your Provider Relations Representative can supply you with a sample of the compliance plan form. Also, by going to the above mentioned website, you can file for the extension electronically. Keep in mind that after you file for your extension, the requirement

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# Education

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## ❖ October 2001 Seminar

- General overview
- Engaging speaker
- Dinner meetings
- 5 days
- 5 locations
- Sponsored by IPA
- 250 attendees

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# Education

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- ❖ April 2002 Seminar
  - Detailed discussion
  - Deadline review
  - Tools
  - 3 days
  - 3 sessions per day
  - Sponsored by IPA and local medical societies
  - Over 500 attendees

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# Training

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- ❖ October 2002 deadline
  - Compliance extensions
    - Paper form
    - Online form
  - Electronic transactions testing Spring 2003
- ❖ April 2003 deadline
  - Privacy
  - Security (tentative)

# Training

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- ❖ Privacy official
  - Policies and Procedures
- ❖ HIPAA staff training
  - Seminars
  - Educational Materials
  - Online Sources
  - Documented training
- ❖ Compliance manual
- ❖ **Physician Involvement**

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# Support

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## ❖ Examples

- Privacy policies
- Authorization for release of PHI
- Business Associate agreements
- Vendors

## ❖ Legal and Consulting staff

- Second tier questions by offices
- On retainer by IPA

# Monetary Benefit

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- ❖ Standardized EDI
  - Staff efficiencies
  - Decreased denials
  - Increased reimbursement
  - Decreased A/R
- ❖ Long term cost savings
  - After expense of privacy and security measures



# Results

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- ❖ August 2001
  - < 10% of core offices planning for HIPAA
  
- ❖ August 2002
  - > 90% of core offices planning for HIPAA
  
- ❖ Nationally
  - <17 % offices planning for HIPAA

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# Contact Information

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- ❖ A. John Blair, III, MD  
Chairman and CEO  
One Summit Court, Suite 200  
Fishkill, NY 12524  
T (845) 897-6359  
F (845) 298-9040  
[jblair@taconicipa.com](mailto:jblair@taconicipa.com)  
[www.taconicipa.com](http://www.taconicipa.com)

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*Thanks for your time!*

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