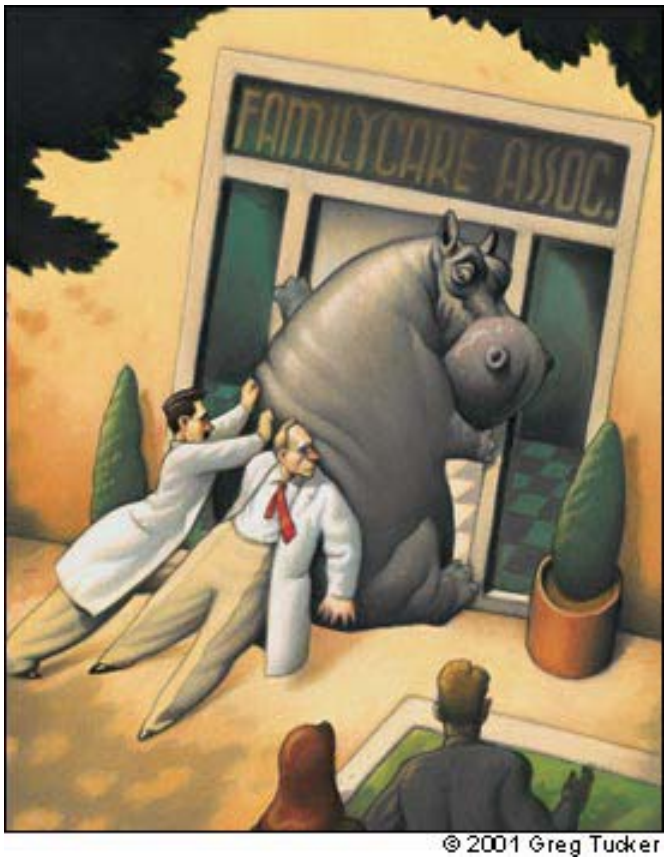
The HIPAA Colloquium
At HARVARD UNIVERSITY

HIPAA Compliance Strategies For Physicians and Small Group Practices

David C. Kibbe, MD

Director, Health Information Technology
American Academy of Family Physicians
Dkibbe@aafp.org



August 2002

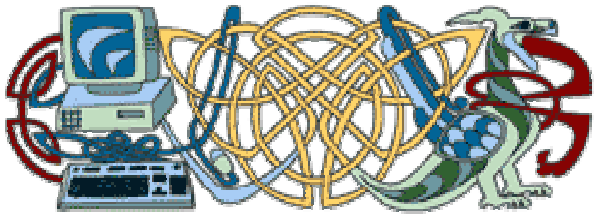
David C. Kibbe, MD Disclosure

- Director, Health Information Technology
  American Academy of Family Physicians

- President-elect, North Carolina Healthcare Information and Communications Alliance, NCHICA www.nchica.org

- Chairman and Founder of Canopy Systems, Inc., whose ASP model Web-based software—Canopy®—is used to support community-wide case management, utilization management, and disease management programs at hospitals and integrated delivery systems nationwide

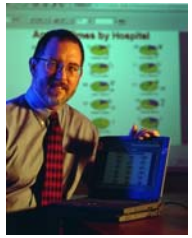
- Email dkibbe@aafp.org

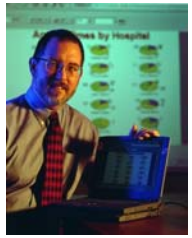


Presentation Topics

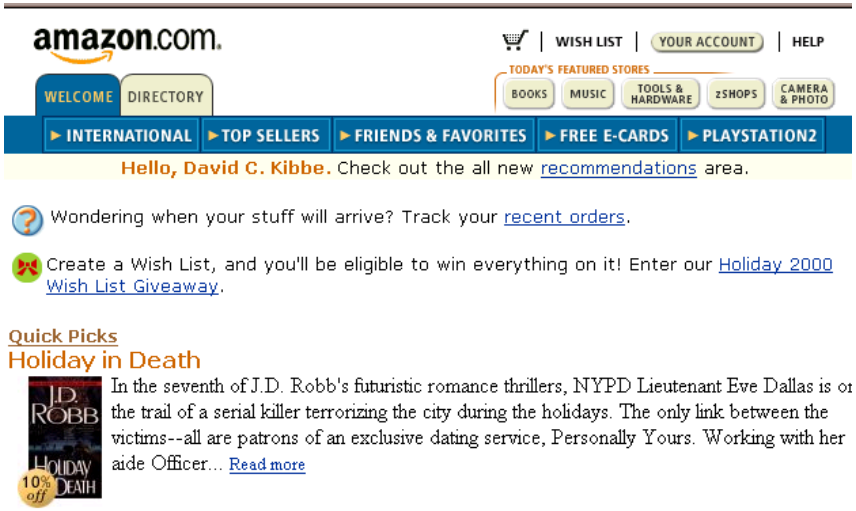
- Practical Issues and Priorities for Physicians and Small Practices
  - What the AAFP is doing
  - What NCHICA is doing
  - What others appear to be doing (or not doing)
- Likely Scenarios Come April and October, 2003
- Re-setting the HIPAA Agenda with Physician Involvement
- Full slide set will be available at the AAFP web site, www.aafp.org/hipaa

Example: Information Flows in Car Repair



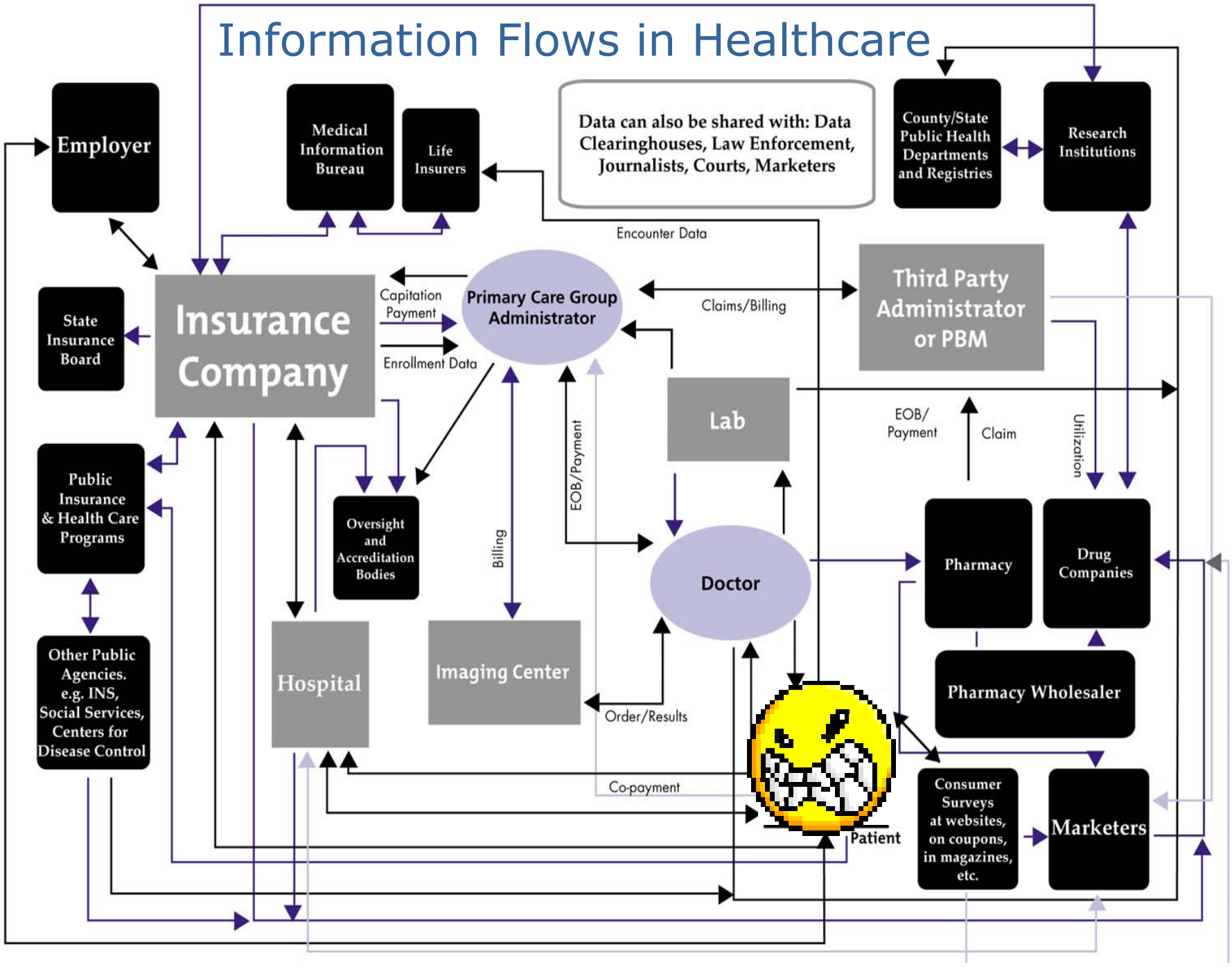


Example: Information Flows in Book Buying



- online reviews
- one-click buying
- 24-hour delivery
- discount prices
- custom suggestions
- “wish list” database

Information Flows in Healthcare



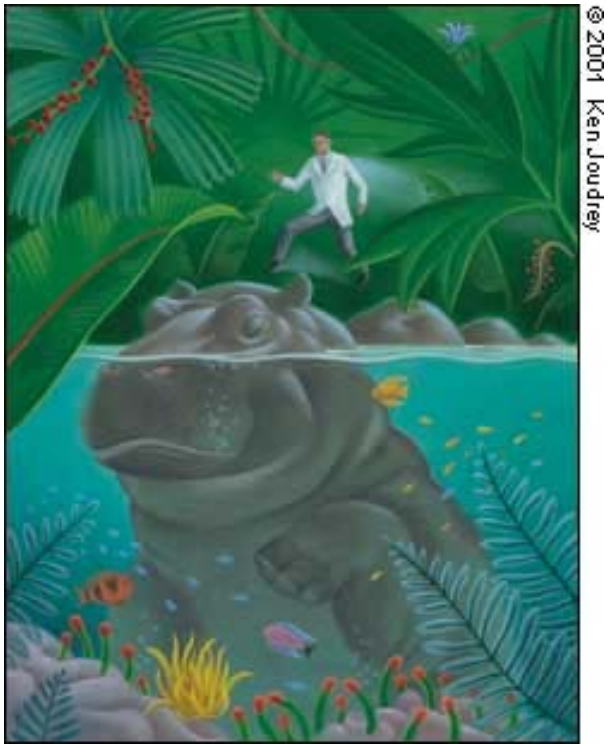
HIPAA-Meter

MDs in Each Stage of Grieving
(over loss of control over health care information)

- Denial and isolation 70%
- Anger 15%
- Bargaining 5%
- Depression 5%
- Acceptance 5%

HIPAA – Most MDs Remain Blissfully Unaware

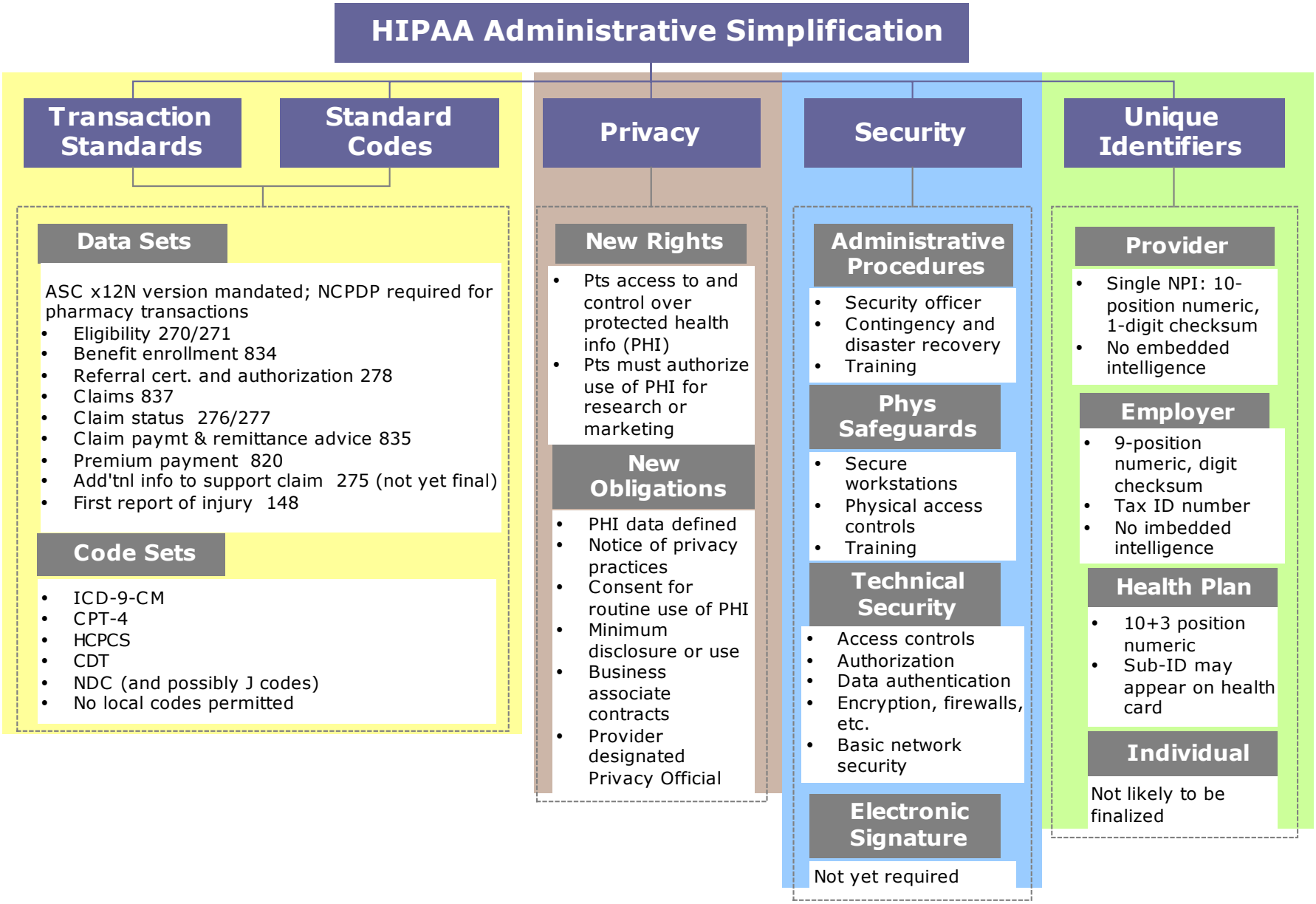
- **H**ealth **I**nsurance **P**ortability & **A**ccountability **A**ct of 1996 [PL 104-191]
- Administrative Simplification Statute
  - Transactions & Codes
  - Privacy
  - National Identifiers
  - Security
- Delays and Guidances
- Civil Monetary & Criminal Penalties
- Applies to all providers who bill electronically, or whose agents do so on their behalf



Many HIPAA Presentations Imply that Rules Were Devised to Punish Physicians

- And miss the point that the Primary Objectives of HIPAA's Administrative Simplification Provisions are:
  - To improve the efficiency of health care delivery by standardizing the electronic data interchange (EDI) of certain administrative and financial transactions between provider and payers, and by specifying the medical and administrative code sets that should be used with the standard transactions.
  - To protect the privacy of health care information by setting standards for privacy and security of individually identifiable information.

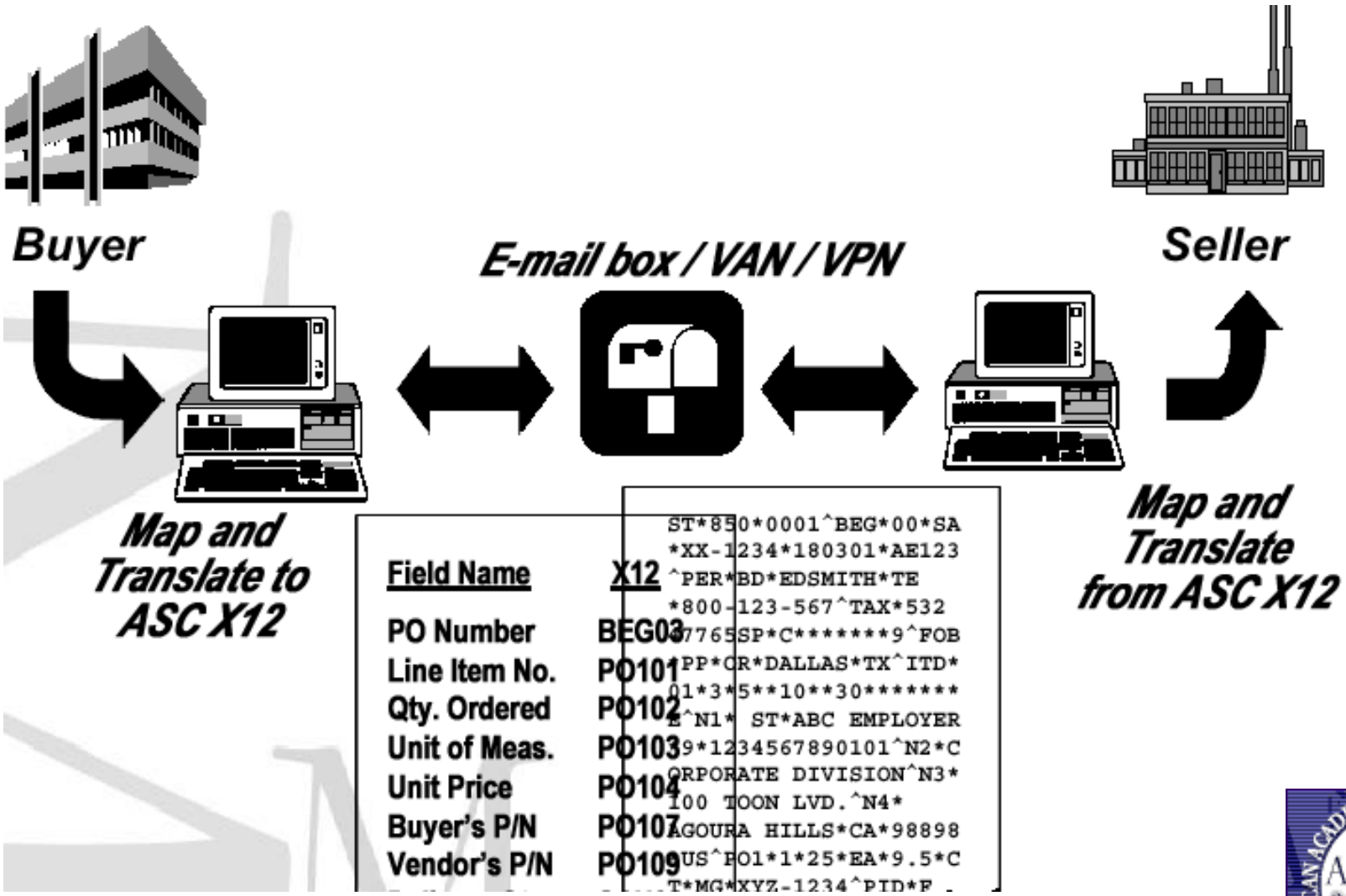
HIPAA Is Complex & Contradictory Messages Abound



HIPAA Timelines are Obscure

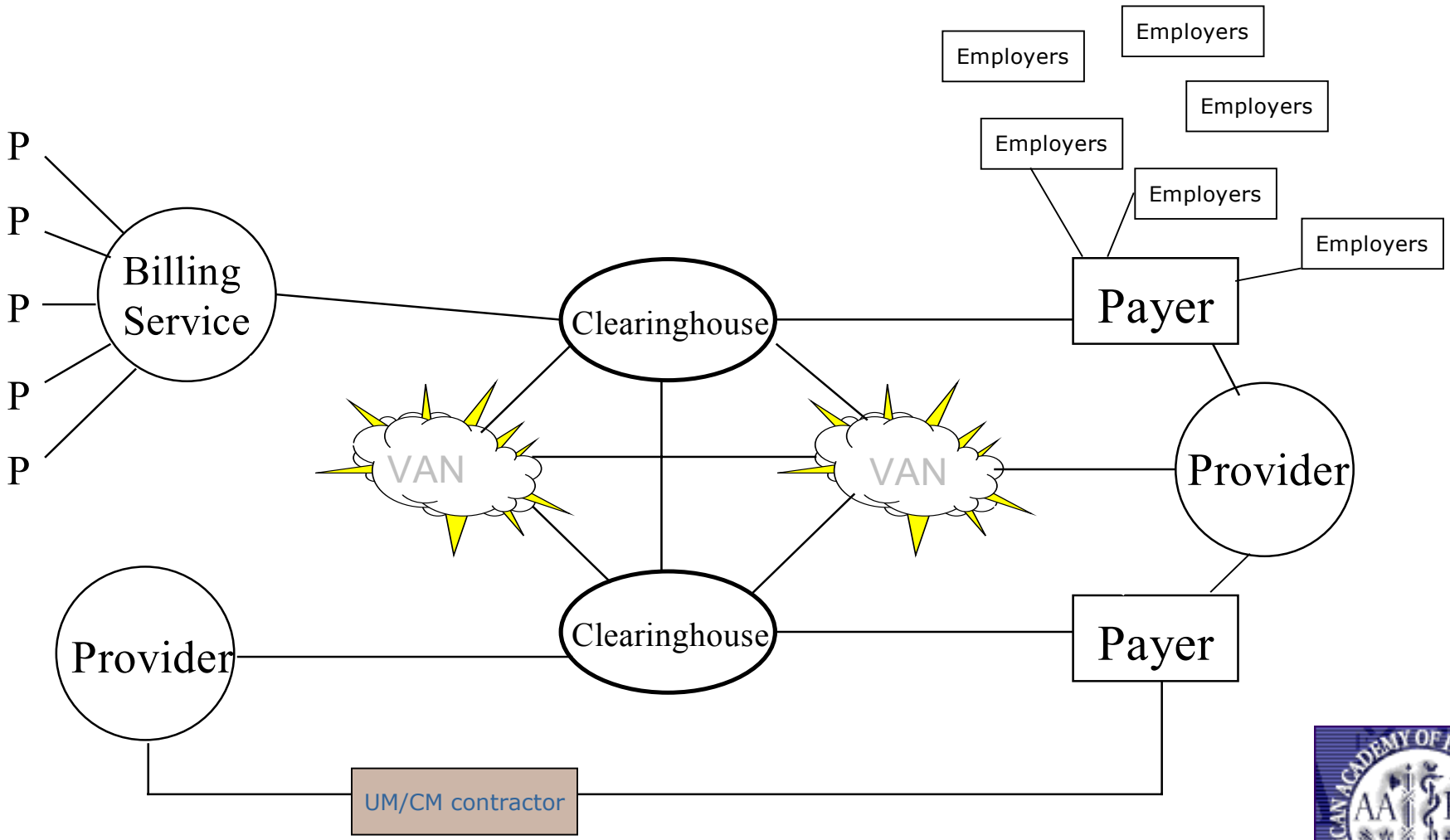
Standard Set Name	Date of Final Rule Publication	Deadline for Implementation	Comments
Transaction and Code Set Standards	October 16, 2000	October 16, 2002 (October 16, 2003 with extension. Testing by April 23, 2003)	Extension possible until October, 2003 for all covered entities that submit a plan to HHS by October, 2002, per the Administrative Simplification Compliance Act, December, 2001. Extenders must start testing transactions by April, 2003.
Privacy Standards	Published by HHS December 28, 2000, but effective date is April 14, 2001	April 14, 2003	A Guidance was issued by HHS in July, 2001. New NPRM published March, 2002. New Final Rule with clarifications is published August 14, 2002.
Security Standards	HHS has published a proposed rule (NPRM) in May, 1998.	None yet. April 14, 2003 for security provisions included in Privacy Rule.	The Security Final Rule is expected in first or second quarter 2002, and is not expected to change substantially from the proposed form of the rule.
National Identifier Standards	HHS has published a proposed rule (NPRM, 1998) for a National Provider Identifier, and a National Employer Identifier	None yet.	National Health Plan Identifier is under development, and a National Individual Identifier is on hold.

How does EDI work? Most MDs haven't a clue.



AAFP Home

Be Ready for Problems!!
Health Care is (More) Complicated

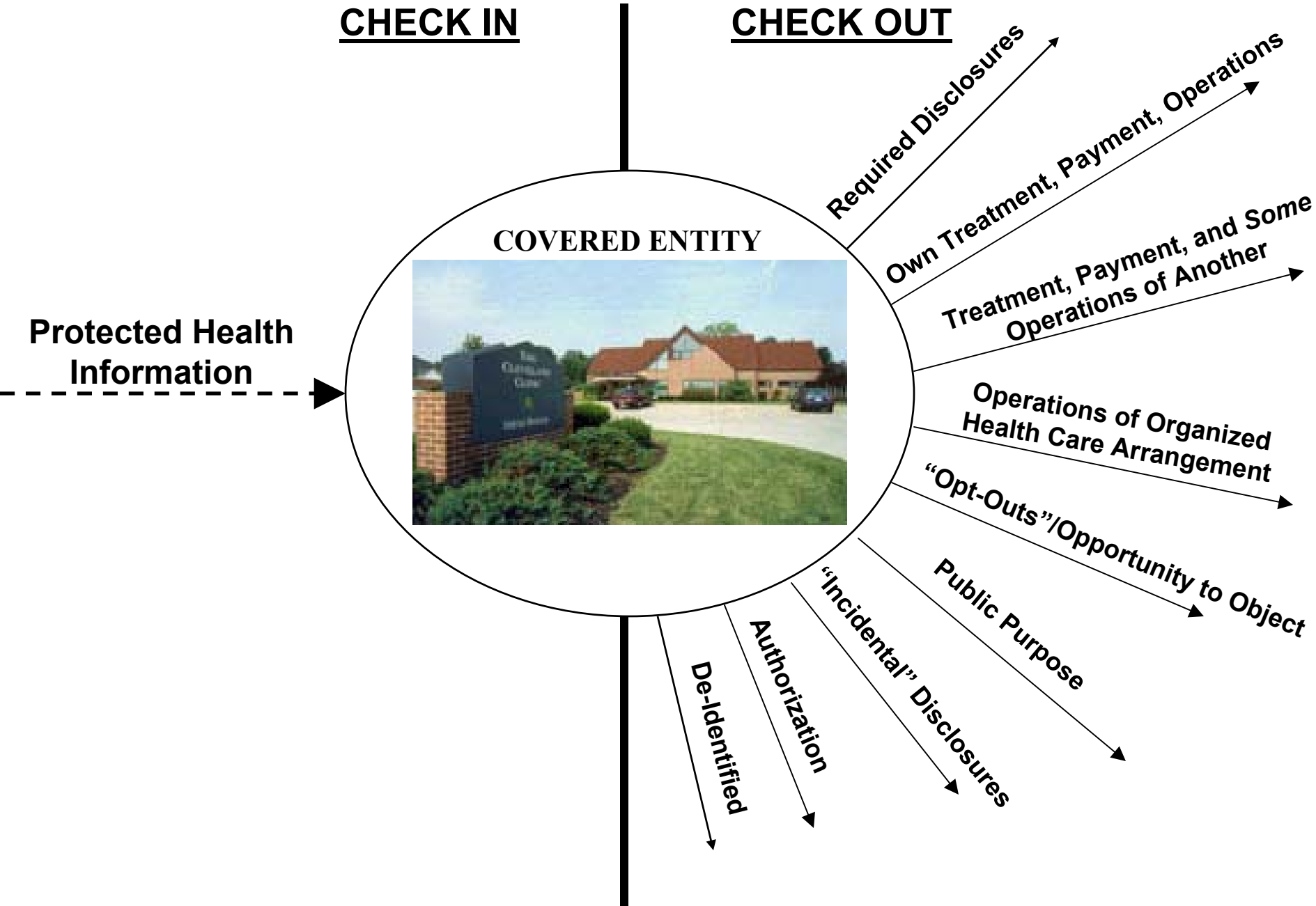


AMERICAN ACADEMY OF FAMILY PHYSICIANS
AAFP Home

HIPAA-EDI not on MDs Radar

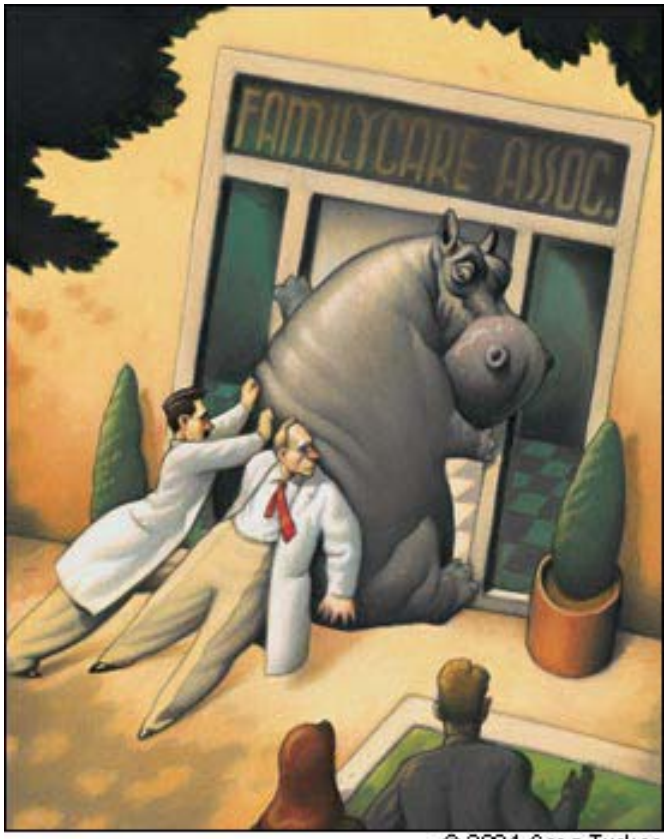
- Medical practices represent the largest volume of transactions, but are currently the least prepared to engage in HIPAA-EDI implementation of any segment of the health care system
- Reliance on hundreds of small PMS vendors, lack of a coherent message about the benefits of HIPAA-EDI, and fears about payer-specific business processes are all barriers to MDs
- Collaboration between physicians and health plans is urgently required!

Welcome to the "HOTEL HIPAA"



New Practice Obligations May Be Costly

- To have and use a Notice of Privacy Practices
- To obtain ~~consents~~ and authorizations for use of PHI
- To abide by "minimum necessary" guidelines
- To assure business associates comply with HIPAA
- To put in place adequate security measures, including administrative, physical safeguards, and technical security measures to protect PHI
- To train employees
- To appoint a privacy official



HIPAA May Be Building an eHealth Highway Super-Highway…

- However, at the current time
  - *We're digging a huge ditch in the ground*
  - *Which is disrupting established routes,*
  - *Confusing travelers, and*
  - *Could lead to lots of delays….*

- Furthermore
  - *It's going to take three times as long as it was planned*
  - *And cost four times as much as was budgeted*

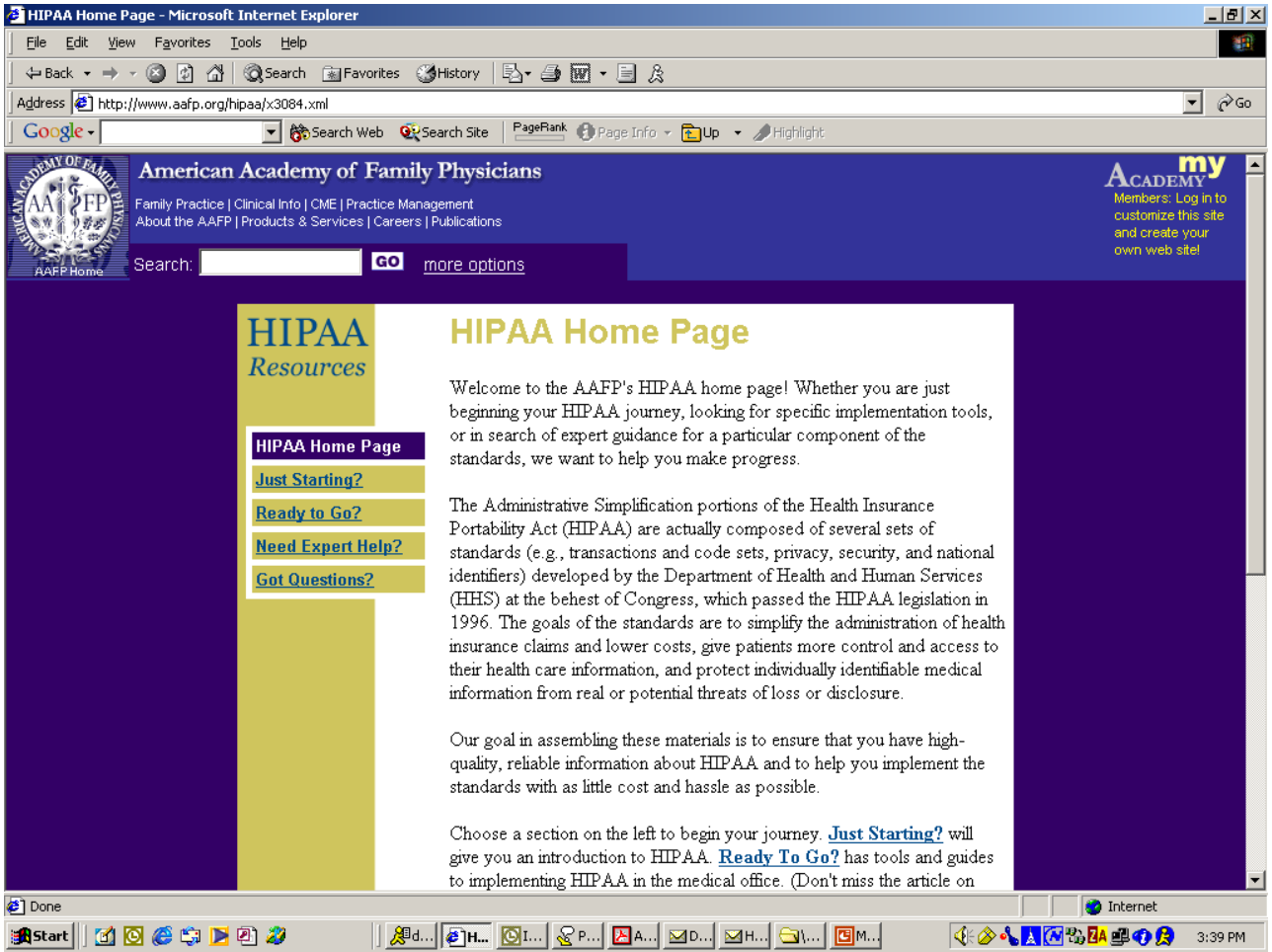
AAFP Home

HIPAA – What the AAFP is Doing

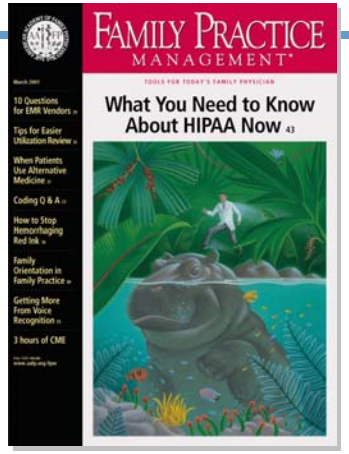
- Getting the message out to members
  - Web site, privacy manual, speaking engagements, national assembly courses, tools
- Advocacy
  - Analysis of Privacy Rule impact, comments to HHS/CMS
  - Sponsorship of bills to defray costs of TCS
- Collaboration
  - Conference of medical specialty societies on HIPAA-EDI
  - WEDI membership
  - eHealth Connectivity Project participation

AAFP HIPAA Web Site

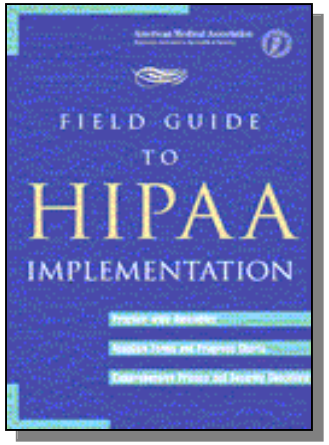
- On the AAFP Web site, www.aafp.org/hipaa



Additional Resources for MDs



- On the AAFP Web site, www.aafp.org/fpm/hipaa.html
  - What You Need to Know About HIPAA Now
    David C. Kibbe, MD, MBA, March 2001
  - A Problem-Oriented Approach to the HIPAA Security Standards
    David C. Kibbe, MD, MBA, July/August 2001
  - HIPAA Transactions and Coding Set Standards
    David C. Kibbe, MD, MBA, November, 2001
  - HIPAA Compliance: Four Steps to Requesting an Extension
    David C. Kibbe, MD, MBA, May, 2002



- The AMA Field Guide to HIPAA Implementation
  - Kibbe, Hubbard, and Root co-authors
  - Available June 2002 from AMA Press

HIPAA – What NCHICA is Doing

- 501(c)(3) nonprofit research & education
- 250+ members including:
  - Providers
  - Health Plans
  - Clearinghouses
  - Professional Associations and Societies
  - **NCHIMA - Charter Member**
  - Research & Pharmaceutical Organizations
  - Government Agencies - Fed & State
  - Vendors
- Mission: Implement information technology and secure communications in healthcare
- Website www.nchica.org

Some NCHICA Accomplishments

- Over 20 multi-disciplinary focus groups covering HIPAA transactions, privacy, and security
- Publishing of white papers, sample documents, and state pre-emption analyses
- Numerous HIPAA educational activities within North Carolina and nationally
- Involvement in granted research projects
  - PaiRs, a common multi-state immunization registry
  - DeeDs, a standardized public health ER registry
  - HealthKey, a multi-state initiative to research and test public key infrastructure, PKI, in health care
- Development of low cost, high quality tools for compliance with HIPAA security and privacy

HIPAA EarlyView(TM) Main Page - Microsoft Internet Explorer
File Edit View Favorites Tools Help
Back Search Favorites History
Address http://www.nchica.org/e-Commerce/Default.htm
Go
Google Search Web Search Site PageRank Page Info Up Highlight

NCHICA

- News
- Who We Are
- Activities
- How to Join
- Links of Interest
- Calendar
- Publications
- Members Only
- Contact Us
- Home

Purchase EarlyView

HIPAA EarlyView™ is a trademark of the North Carolina Healthcare Information and Communications Alliance, Inc. (NCHICA) Copyright © 2000, 2001. All rights reserved.

HIPAA EarlyView™

Target your weaknesses with these powerful self-evaluation tools

The Health Insurance Portability and Accountability Act (HIPAA) of 1996 establishes national standards for ensuring the security and privacy of identifiable patient information. Healthcare providers, health plans and clearinghouses are required to be in full compliance with the new HIPAA standards or face potential civil and criminal penalties.

NCHICA offers powerful self-evaluation software tools to help you assess your organization's readiness to comply with HIPAA:

- Purchase HIPAA EarlyView™ software tools now
- Learn more about HIPAA EarlyView™ Privacy.
- View an on-line presentation and demo of HIPAA EarlyView™ Privacy
- Learn more about HIPAA EarlyView™ Security
- Learn more about the HIPAA regulations.
  (Adobe Acrobat® Reader required)
- NCHICA members get the best prices on NCHICA tools. Learn about NCHICA membership
- Affiliates of EarlyView Sponsor Organizations receive special discounts on HIPAA EarlyView™. Find out more

Get Acrobat Reader

Internet
Start davidkibb... Zestfulan... Inbox - M... HIPAA E... Microsoft ... 10:11 AM

Likely Scenarios for HIPAA in 2003

- By October 15, 2003, fewer than 50% of medical practices will have filed TCS extension plans
- By April 12, 2003, only about 60% of medical practices will have privacy plans in place, only about 25% have Notices of Privacy Practices
- By October 15, 2003, fewer than 20% of medical practices can comply with HIPAA transactions standards for X12 837. None can comply with all 8 transactions.
- Of those ready to send and receive an X12 837, about half find that they haven't been able to test with a clearinghouse or health plan.

What's Required to Bring the Physicians Along?

- The business case for HIPAA-EDI must be presented in a consistent and convincing manner by trusted sources
- The payers need to talk to and work with physicians more directly
- The public needs to speak to physicians, letting them know that they are indeed concerned about privacy of health information
- CMS and HHS, perhaps Congress, must address the capital costs issue and offer physicians' practices incentives to adopt new information technology