

THE HIPAA COLLOQUIUM
at Harvard University

HIPAA Compliance Strategies for Clearinghouses

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Who is Required to Use the Standards?

<http://aspe.os.dhhs.gov/admnsimp>

Clearinghouse Requirements

“A health care clearinghouse may accept nonstandard transactions for the sole purpose of translating them into standard transactions for sending customers and may accept standard transactions and translate them into nonstandard transactions for receiving customers.”

Health Plan Requirements

If a health plan does not perform a transaction electronically, must it implement the standard?

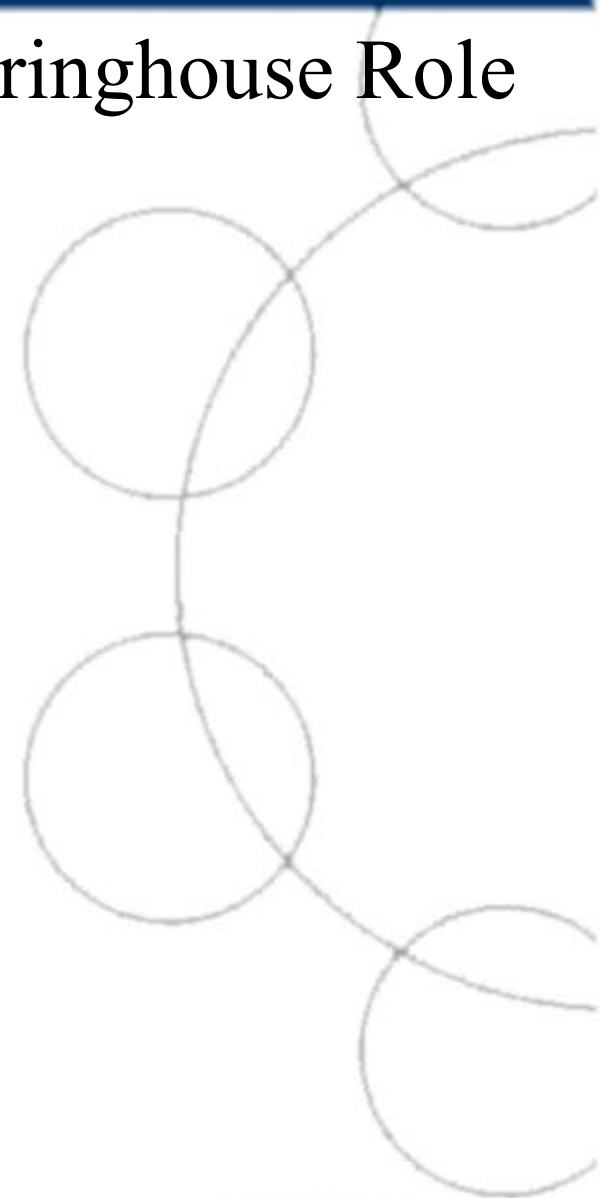
“If the plan performs that business function (whether electronically, on paper, via phone, etc.), it must be able to support the electronic standard for that transaction. **It may do this directly or through a clearinghouse.”**

Provider Requirements

Does the law require physicians to buy computers?

“Providers, even those without computers, may want to adopt these standard electronic transactions, so they can benefit directly from the reductions in cost and burden. This is possible because the law allows providers (and health plans too, for that matter) to **contract with clearinghouses to conduct the standard electronic transactions for them.**”

- **HIPAA Awareness**
- HIPAA Readiness
- HIPAA Solutions
- HIPAA Compliance
- HIPAA Next Generation



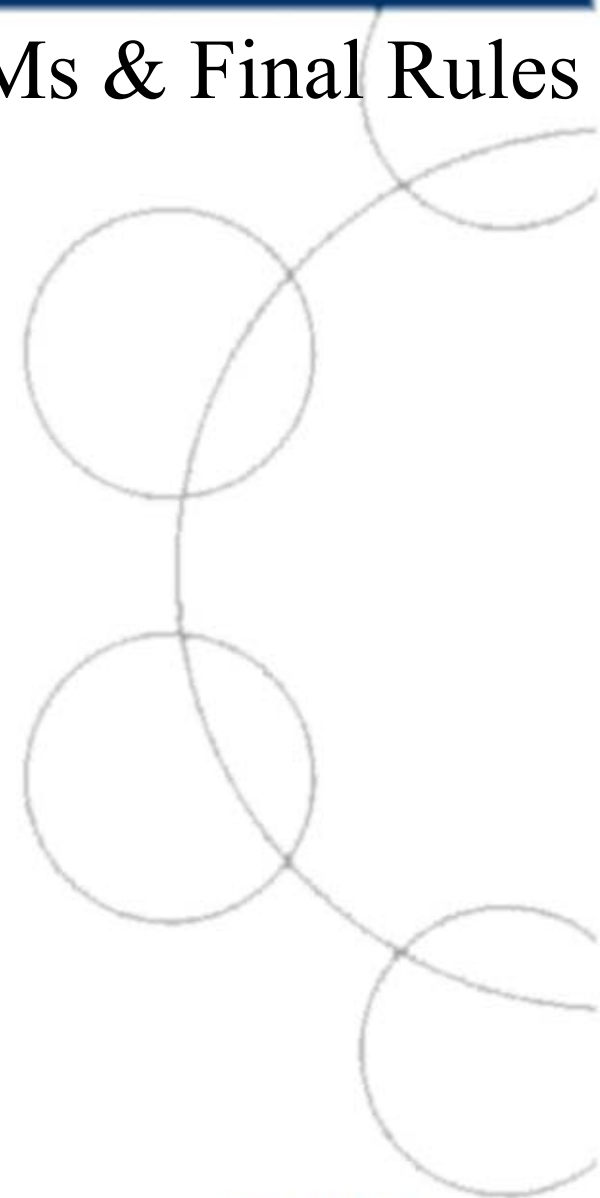
HIPAA Awareness

- Standards Participation
- NPRMs and Final Rules
- Compliance Strategies
- Consensus Building

Standards Participation

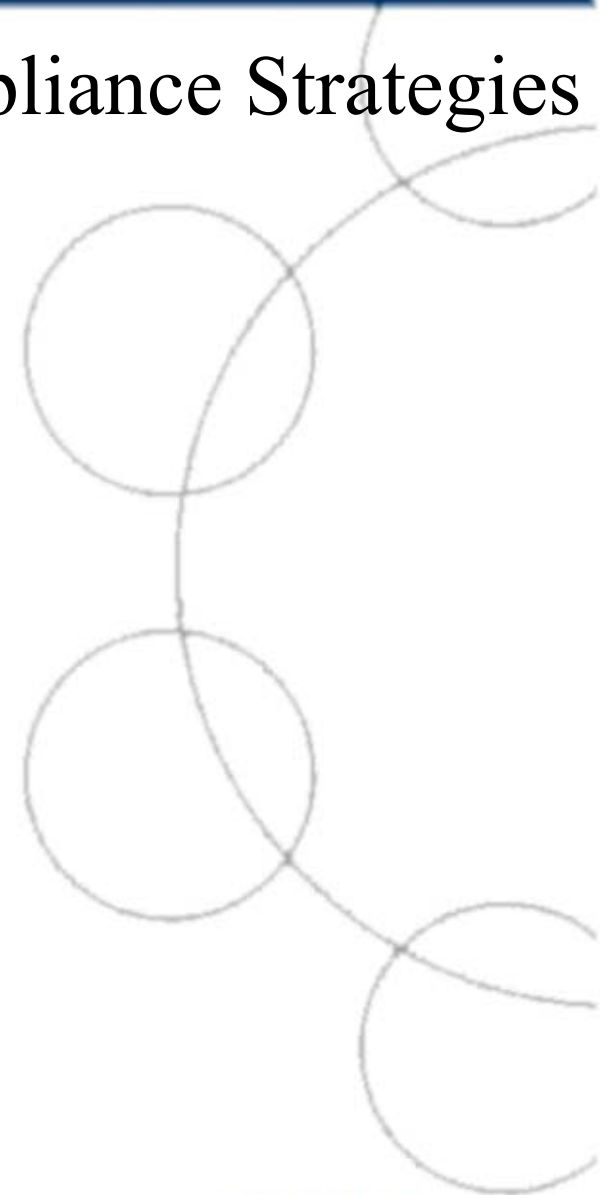
- ANSI ASC X12
- NCPDP
- WEDi
- WEDi-SNIP
- HL7
- AFEHCT
- EHNAC

- Review
- Interpret
- Analyze
- Comment



Compliance Strategies

- Formed a HIPAA Team
- Performed Gap Analysis
- Final vs. Addenda





GAP Analysis



- Data Content
- Content Requirements
- Challenges with Data Content

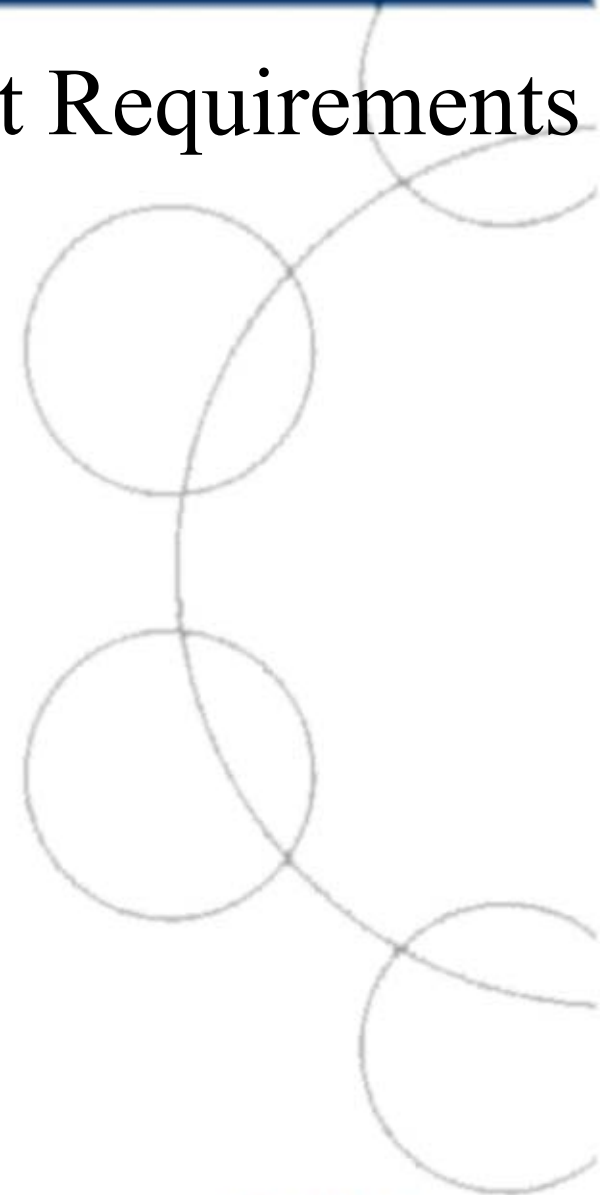
Data Content

There are two aspects of data content standardization:

- 1) Data elements, including their format and definition
- 2) Code sets or values that can appear in selected data elements

Content Requirements

- Required
- Situational
- Not Used



Challenges with Data Content

- Translators were developed to expect full HIPAA requirements
- Providers cannot send some of the content required to be compliant
- Providers may not send some of the content required to be compliant
- Payers are still requiring some information that is not in the compliant transactions

Translators

- If Payers enforce 'pure' HIPAA at the translator now, it will cause files to reject
- Most Translator companies offer a relaxed version
- Some Payers will implement the relaxed version in the meantime

Providers Cannot Send

- **Taxonomy Codes**
 - Crosswalk from Specialty codes
- **National Identifiers**
 - Not an issue until they are mandated
- **Some of the additional data elements that are required by HIPAA but not in current formats**
 - Varies based on business
 - Varies based on format

Providers May Not Send

- **Optional data elements became required**
 - Payer Name, Non destination payer information
 - Medicare Assignment Indicator
- **Optional data elements became situational**
 - Patient's weight for EPO (Epoetin)
- **Partial data elements within logical groups**
 - Rendering Provider, Network Id is required by many – name is now required
 - Non destination payer information

Payers Require Legacy Data

- For Example
 - Type of Service Code
 - Student Status Code
 - Marital Status
- They have a place in 837 but not in guides
- Providers will need to continue to send until all payers migrate

Version: Final versus Addenda

- Which version of the guide to implement:
 - 4010 or 4010A1
- Non-compatibility between the versions:
 - DME: IV Therapy; Vision; NDC/J-codes
- WebMD will support both versions but recommends the Addenda version to save on implementation and testing efforts

Consensus Building

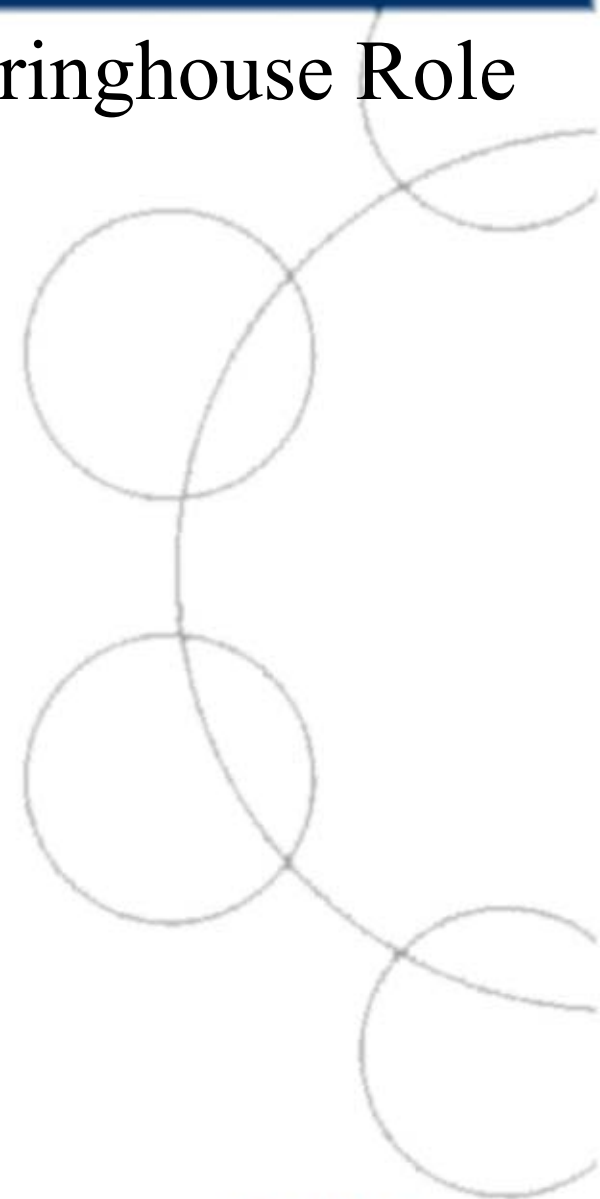
Discussed these data content challenges with:

- Health Plans
- Third Party Administrators
- Physicians
- IPA's
- Hospitals
- Dental Groups
- Healthcare Associations
- Software Vendors
- Industry Groups

And sought consensus on developing solutions

Clearinghouse Role

- HIPAA Awareness
- **HIPAA Readiness**
- HIPAA Solutions
- HIPAA Compliance
- HIPAA Next Generation



HIPAA Readiness

- Educated Key Constituents
- Allocated Resources
- Analysis & Design
- Systems Remediation
- Product Development
- Testing & Certification
- Process Re-Engineering
- Customer Readiness

Educated Key Constituents

- WebMD Envoy HIPAA Team
- Payer Customers
- Provider Customers
- Vendor Partners

Allocated Resources

- Dedicated Program Management Office (PMO)
- Project teams assigned
- Incremental staffing
- Consultants/Contractors
- Funding/Budget

Analysis and Design

- Developed mapping documents for X12N4010 HIPAA Compliant transactions: Final and Addenda
- Updated specifications for internal data formats
- Updated program specifications for HIPAA content and edits
- Enhanced screen and database tools

Systems Remediation

- Developed inbound and outbound translators for X124010 transactions:
 - Final and Addenda
- Enhancing internal programs, formats, databases, and screens for HIPAA content and edits

Product Development

Developing and distributing products and services to acquire/deliver fully compliant HIPAA transactions:

| | |
|----------------|---------|
| Claim | 837 |
| Claims Payment | 835 |
| Claims Status | 276/277 |
| Eligibility | 270/271 |
| Service Review | 278 |

Testing and Certification

- Developed test plans and expected results
- Performed unit, system, and integration testing
- Certified all HIPAA transactions, inbound and outbound, with an industry recognized certification firm
- Beta testing each pathway with appropriate trading partners
- Performing volume testing on all networks and systems
- Gradual “roll-out” in production environment

Process Re-Engineering

- HIPAA education and training for all staff
- Analyze and enhance customer support procedures for HIPAA transactions (tie-in with HIPAA privacy)
- Enhance EDI Enrollment processes
- Upgrade Contracts/Agreements
- Trading partner leadership and guidance
- Cost containment

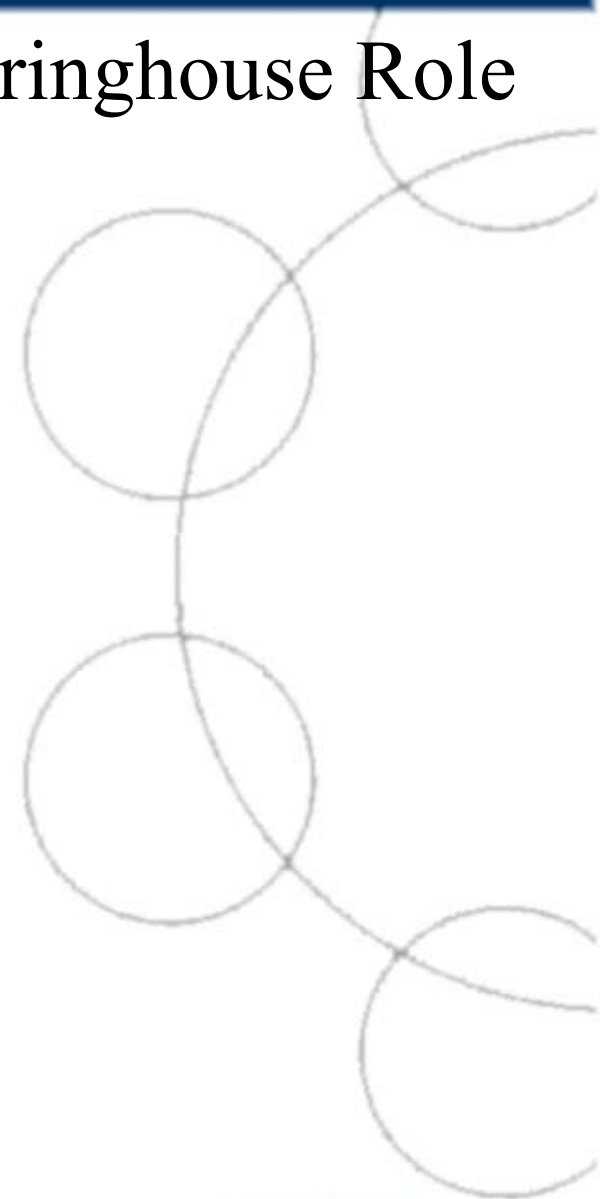
What Should Our Customers Do?

- Do Gap Analysis
- Review Billing and Payment Practices
- Train the staff for new content
- Talk with software vendors to ensure that they will be ready



Clearinghouse Role

- HIPAA Awareness
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HIPAA Solutions

- Transition approach: Now through October 16, 2003
- Enabling Compliance
- Real-Time transaction processing

Transition Approach

- Separate Format from Content and Edits
- Publish companion documents
- Work closely with customers to help them through the transition period including line-of-business gap analysis
- Work with industry organizations, such as WEDi-SNIP, on a transition approach: Helpful Hints www.hipaa.org/hints/
- Facilitate asynchronous compliance between trading partners

Why a Transition?

- Provides achievable milestones
- Allows for early implementation of transactions
- Prevents a bottleneck
- Maintains industry efficiencies of EDI

- **Evaluate Claim Types**
 - Which Claim types can be supported on current formats
 - Which Claim Types can be supported with slight extensions to current formats
 - Which Claim Types can only be supported with a migration to the X12N 4010 formats
- **Sample production claim submissions**
 - Test for the presence of HIPAA required data content by Claim Type
 - Help educate submitters on how to better utilize current formats to meet HIPAA regulations

Enabling Compliance

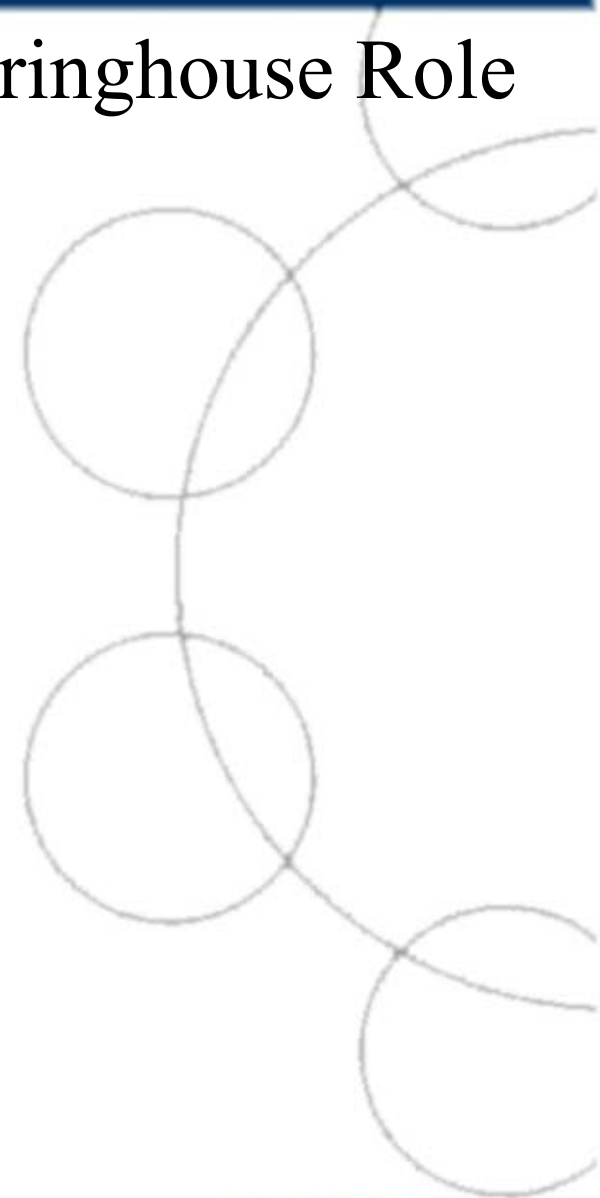
- **Translation**
 - Non-standard inbound to standard outbound
 - Standard inbound to non-standard outbound
 - Non-standard inbound to non-standard outbound
(with standard translation in the clearinghouse)

Real-Time Transaction Processing

- Help Payers migrate to Real-Time Processing
- Products and services for Providers
- Dedicated, redundant network connectivity
- Manage latency and capacity
- Scale networks and infrastructure to facilitate growth in Healthcare EDI

Clearinghouse Role

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HIPAA Compliance

- Facilitate gradual migration of Submitters and Receivers to HIPAA compliant transactions
- Monitor and communicate trading partner compliance efforts
- Manage test plans and schedules
- Communicate “early and often” with HHS and Industry groups on compliance trends and issues
- Determine strategy for non-compliant trading partners after October 16, 2003

HIPAA Next Generation

- 4050 is already a work-in-progress at X12N
- Is HIPAA compliance an Annual event?

QUESTIONS????

