A Case Study: Implementing HIPAA at Kaiser Permanente

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Kaiser Permanente: A Snapshot

- **Kaiser Permanente has:**
    - **regions in 9 states and Washington, DC**
    - **8.2 million members (6.1 million in Calif.)**
    - **35 Hospitals/Medical Centers**
    - **423 Medical Offices**
    - **11,345 physicians**
    - **90,000 non-physician employees**
    - **More than 4,000 applications that may contain HIPAA relevant information**

We need to move all of this forward into HIPAA compliance...

Leveraging HIPAA for Organizational Transformation

- **HIPAA forces the industry to become electronically capable**

- **External imperative = internal leverage**

- **Momentum to transform an entire organization**

- **Identify the collateral benefits early**

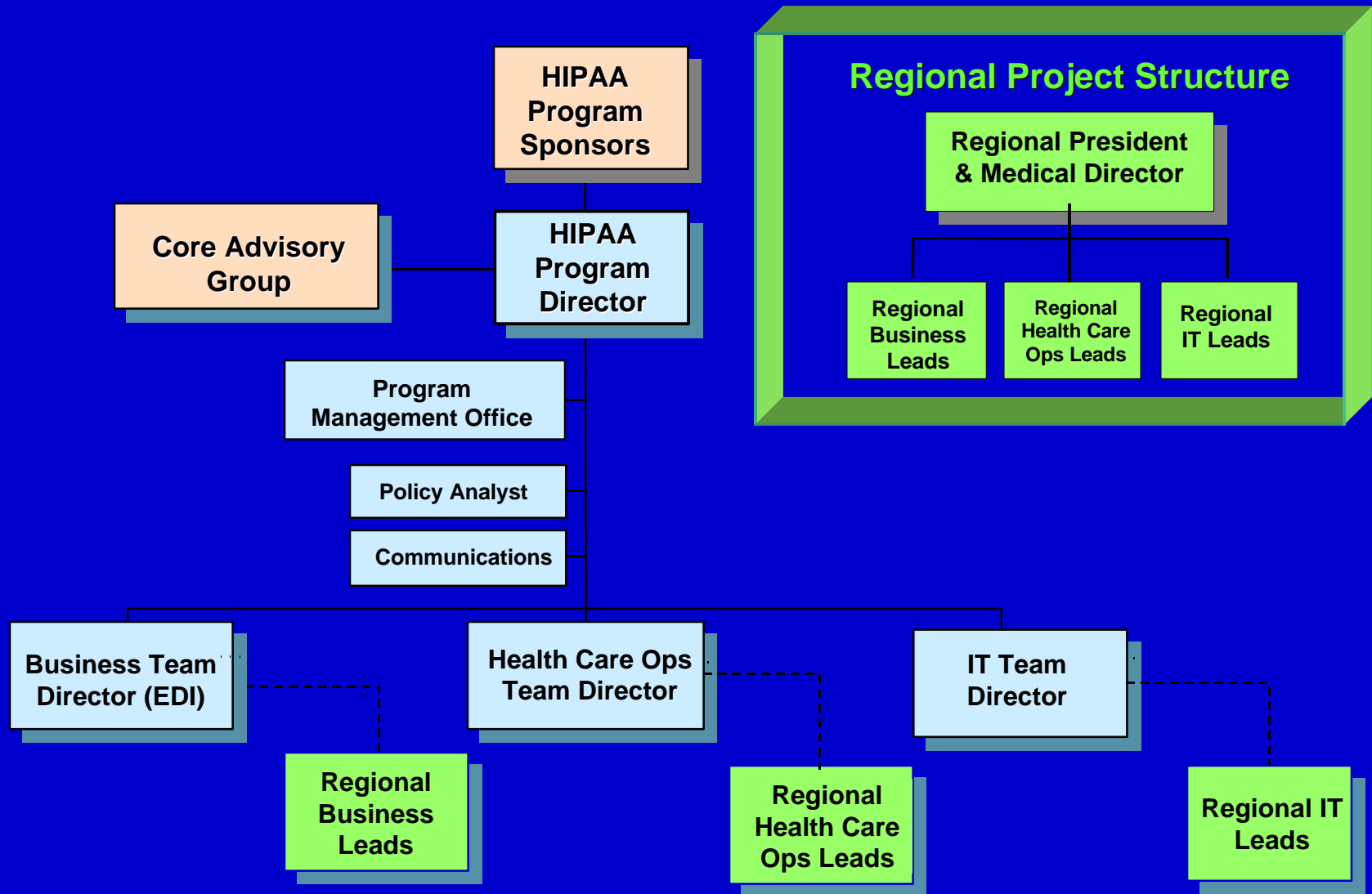# Strategic Questions for the KP HIPAA Transformation

- Who should be accountable for the transformation?

- How do we get this done on time?

- How do we handle the money?

- How do we get maximum value for resources invested?

We're in a moving car. How do we change the tire?

KP's Strategies for Making HIPAA Happen

- **High level sponsorship**

- **Multi-disciplinary core advisory group**

- **Distribute ownership/engage those affected**

- **Integrated national and regional teams**

- **One national budget with funding rules**

- **Defined responsibilities**

- **An orientation to the benefits**

National Team Organization

HIPAA Program Sponsors

Core Advisory Group

HIPAA Program Director

Program Management Office

Policy Analyst

Communications

Business Team Director (EDI)

Health Care Ops Team Director

IT Team Director

Regional Business Leads

Regional Health Care Ops Leads

Regional IT Leads

Regional Project Structure

Regional President & Medical Director

Regional Business Leads

Regional Health Care Ops Leads

Regional IT Leads

How Far Has This Taken Us?

- **Assessed regulations and set strategy/timeline**
- **Secured sponsorship and funding**
- **Built systems, teams, funding model, awareness**
- **Conducted high-level analyses resulting in e.g., applications inventory, security matrix**
- **Developed an EDI approach**
- **Developed a multi-year funding forecast**
- **Developed intranet site for internal communication and document access**

Where Are We Going Now?

- **Implementing EDI solution**
- **Completing a baseline assessment: surveying our current practices and identifying gaps in security and privacy**
- **Designing a risk assessment process for determining security and privacy remediation approaches**
- **Establishing an internal review process**

Challenges for KP:
EDI/Code Set Regulations

- **Recognizing the benefits and planning broadly enough to achieve them**

- **Integrating with ongoing efforts (e.g., e-business)**

- **No easy answers for complex organizations with legacy systems:**
  - replace legacy systems with HIPAA compliant
  - modify legacy systems to become HIPAA complaint
  - modify incoming and outgoing transactions to be compliant in a separate "application"

- **Explaining the approach to sponsors and others in sound bites**

- **Identifier requirements still in draft form**

Challenges for KP: Privacy Regulations

- **Assessing risk and making policy decisions**
- **Getting consent as an "organized health care arrangement"**
  - **what about former members?**
  - **members who haven't come in for care?**
- **Tracking consent, effective date, revocation**
- **Effectively and efficiently tracking disclosures**
- **Minimum necessary - how to use subset of paper or electronic chart**

Challenges for KP:
Security Regulations

- **Estimating/securing resources prior to final regs (probably most costly area of HIPAA)**

- **Understanding our current situation (i.e., multiple regions and varying policies)**

- **Developing a baseline assessment of what we already do and don't do**

- **Assessing risk and making policy decisions**

- **Finding security officers**

- **Adding an audit trail**

- **We have:**
  - **a security matrix which provides a general framework**
  - **confidentiality measures in place**

From Strategy to Tactics: A Risk Management Approach

- Conducting security and privacy baseline assessments (regional, functional)

- Establishing a Privacy Work Group

- Developing a Review Process

- Involving the people who are affected

Security and Privacy Regulations: Risk Management Challenge

Interventions or Tools

Bad outcome
(e.g. misuse of confidential info.)

"Flaw" in intervention or tool
e.g., inadequate training

- Fines
- Sanctions
- Criminal charges
- Reputation
- Harm to individual

Other

Audit trail of on line access

Physical security e.g. locks on medical records room

Role based access to applications

Policies and Training

Risk Triggering Event
e.g., curious employee

VARIABLES
- **Which events**
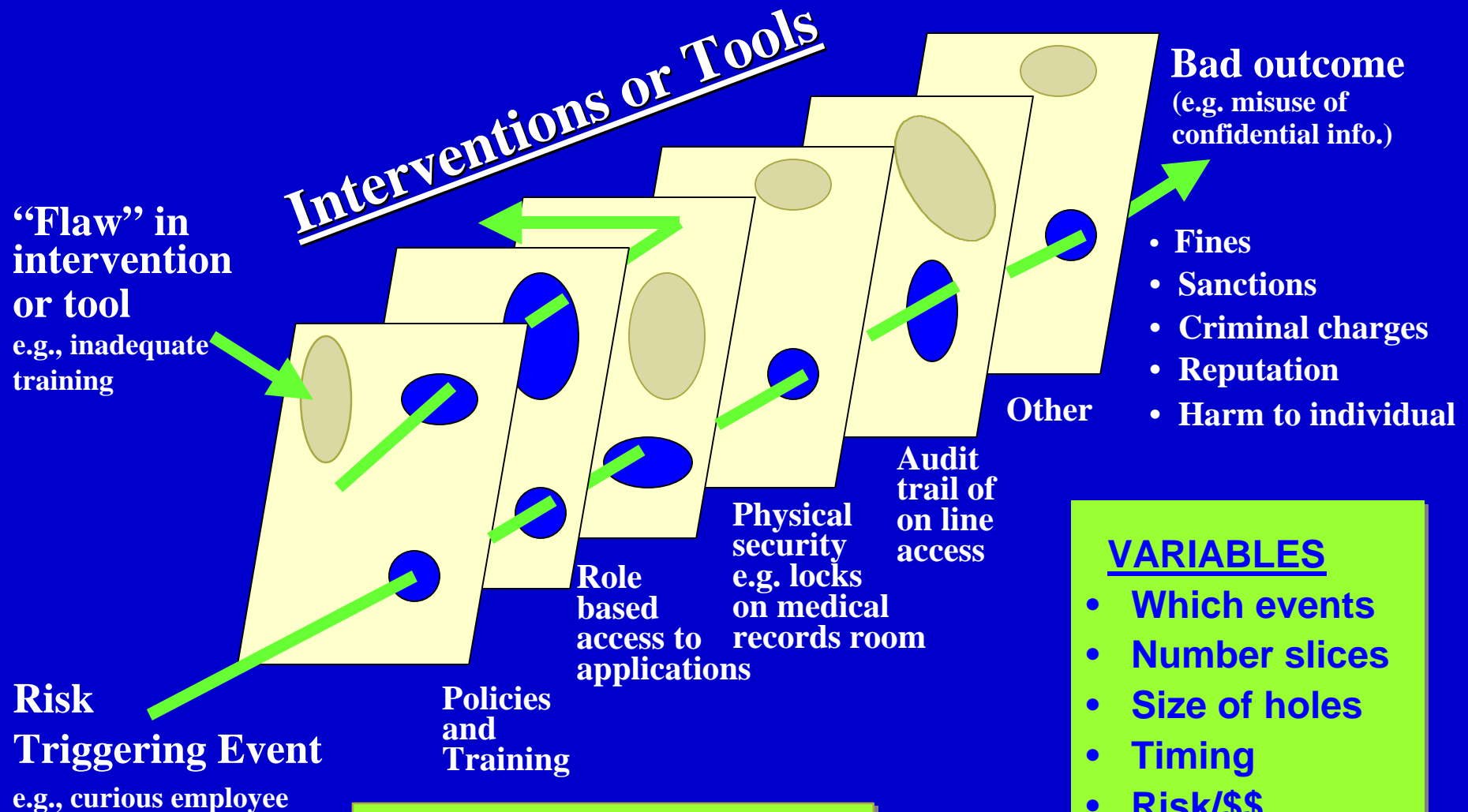- **Number slices**
- **Size of holes**
- **Timing**
- **Risk/$$**

Diagram modified from James Reason's
"Accident Causation Model"

Transformational Value of Our Risk Management Approach

- **Provides a baseline of data and information for future initiatives**

- **Allows us to build a rational, replicable model for risk management**

- **Acknowledges that total elimination of risk may not be possible**

KP HIPAA: Big Picture Benefits

- **Builds evolutionary capacity**

- **A step toward common systems and processes**

- **Develops people who know how to do transformation**

- **Success disarms some of the fear around future transformation**

What Supports Transformation at Kaiser Permanente?

- **KP is a "learning" organization**

- **We have a national IT structure**

- **HIPAA is in alignment with Kaiser Permanente values**

- **We're proud of our 55-year history of providing high quality health care service to diverse populations**

Questions?

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