HIPAA
Transactions Rule
45 C.F.R. Part 162

August 20, 2001
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The ANSI Health Informatics Standards Board (HISB) surveyed all its members to identify all standards that were candidates for adoption.

HISB published the Inventory of Health Care Information Standards

- January, 1997
- available at on HISB and HHS web sites
Inventory showed:

- Standards were available for all section 1173(a)(2) transactions except “first report of injury”
- Standards were not available for
  - identifiers
  - security
  - electronic signatures
  - privacy
NCVHS Hearings

- NCVHS held hearings on each category of standards needed.
- Great range of versions and implementations
- Many available and currently used standards were not developed by ANSI accredited SDOs
  - Medicare
  - Blue Cross/Blue Shield
  - Various Medicaid State standards
Notices of Proposed Rulemaking published summer of 1998 for:

- National Provider Identifier
- National Employer Identifier
- Transactions and Code Sets
- Security and Electronic Signatures
Transactions Rule

- Final published on August 17, 2000
  - 65 Federal Register 50312
  - Effective date: October 16, 2000
  - Compliance date: October 16, 2002 or 2003
- Framework for all HIPAA requirements
- Definitions
- Process for updating standards
Minimum/Maximum Data Sets

- **Must accept the maximum Data Set**
  - Ignore what you don’t need. Set it aside.

- **Must accept the minimum Data Set**
  - Cannot require an additional data element not required by the Implementation Guide.

- **Optional data elements**
  - Follow rules in Implementation Guide
Expanded Definitions of Code Sets and Transactions

- **Transaction:** “the exchange of information between two parties to carry out financial or administrative activities related to health care. It includes…” (§ 160.103)

- **Code set:** “any set of codes used to encode data elements, such as tables of terms, medical concepts, medical diagnostic codes, or medical procedure codes…” (§ 162.103)
Part 162

- Subpart A--General Provisions
- Subpart I--General Provisions for Transactions
- Subpart J--Code Sets
- Subparts K--R: Claims, Eligibility, Referrals, Claim Status, Enrollment & Disenrollment; Payment & Remittance Advice, Premium Payments, and Coordination of Benefits
HIPAA standards apply to covered entities:

- Health plans
- Health care clearinghouses
- Health care providers that conduct designated transactions electronically
- AND to their Business Associates
  - functions for covered entities
  - services to covered entities
Covered Entities Required To:

- Use HIPAA standards for designated transactions no later than appropriate compliance date
  - Compliance via restructuring internal systems
  - Compliance via clearinghouse
  - Compliance via business associate
- Use appropriate code sets in transactions
- Content-only exception for direct data entry
Business Associates

- Privacy Rule: 164.502(e) and 164.504(e)
- Covered entity required to obtain “satisfactory assurance” from associate that it will safeguard protected health information
- Key step is determining which activities are transactions and which are uses or disclosures between a covered entity and its associates
A trading partner agreement may not

- Change a standard definition, data condition, or use of a data element or segment
- Add data elements or segments to a maximum defined data set
- Use non-included or not used code or data elements
- Change the meaning or intent of the implementation specification
Special Requirements
Health Plans

- Must accept standard transactions
- Must maintain current and past code sets
- May not delay, reject or attempt to adversely affect transaction because it is in standard form
- May not refuse to accept transaction with additional standard information
- May not provide incentives for direct data entry
Subparts K-R: Two-Part Format

- Defines transactions in terms of
  - Action or purpose
  - Party or parties
- Adopts a particular implementation guide
  - generally
  - for each of several specific sectors (e.g., retail pharmacy, institutional)
  - batch, real-time or interactive
§ 162.1101: Definition

- The health care claim or equivalent encounter information transaction is the transmission of either
  - (a) A request to obtain payment, and the necessary accompanying information from a health care provider to a health plan, for health care.
  - (b) If there is no direct claim, because the reimbursement contract is based on a mechanism other than charges or reimbursement rates for specific services, the transaction is the transmission of encounter information for the purpose of reporting health care.
§ 162.1102: Standard Adoption

- The Secretary adopts the following standards for the health care claims or equivalent encounter information transaction:

  * * * * *

Analyzing Transactions Issues

- Is the transaction being conducted by a covered entity or its business associate for the covered entity?
- Is the transaction in question one for which the Secretary has adopted a standard?
- Does the transaction meet the definition of the standard transaction in § 162.1x01?
- Is the transaction being conducted electronically?
General Requirements for Code Sets

- When conducting a standard transaction, a covered entity must use the appropriate standard code set
- *Medical data code sets*: use the appropriate code set valid at the time the health care is furnished
- *Non-medical data code sets*: use the appropriate code set valid at the time the transaction is initiated
Standard Code Sets:
Medical

- Expressly adopted by the Secretary
- ICD-9-CM Volumes 1, 2 (diagnosis)
- ICD-9-CM Volume 3 (inpatient procedures)
- CPT-4 (outpatient procedures)
- CDT (dental procedures)
- HCPCS (therapy, radiologic, laboratory, etc.)
- National Drug Codes (drugs and biologics)
Standard Code Sets:
Non-Medical

- Set by SDOs in Implementation Guides
- Examples:
  - State abbreviations and ZIP Codes
  - Telephone area codes
  - Race and ethnicity data
  - Measurement systems
  - And many more
Maintaining and Updating Standards

- Designated Standard Maintenance Organizations (DSMOs)
- Standard setting organizations responsible for the standards chosen as national standards
- Open process for receiving and processing complaints and requests for updates
- Recommendations to the NCVHS
- Adoption of changes via rulemaking
Guidance

- Websites
- Frequently Asked Questions
- WEDI: Strategic National Implementation Program (SNIP)
Implementation Options

- Integrate standard transactions into operations
- Continue to use own systems internally
  - convert outgoing transactions to standard format
  - receive incoming transactions in standard and convert to internal format
- Use clearinghouse to translate from internal format(s) to standard and vice versa
- Use business associates for transactions
Related HIPAA Rules

- Final Privacy Rule
  - Amended and added all-HIPAA definitions
  - Preemption
  - Privacy enforcement
- Final Security Rule
- Final Employer Identifier Rule
- Final Provider Identifier Rule
- Final Electronic Signatures Rule
Regulations under development:

- Standard for national plan identifier
- Standard for claims attachments
- Standards for supplemental transactions
- Enforcement
- Modifications to Transactions Rule
- Modifications to Privacy Rule
Standard on hold:

- Congress has ordered work on the national individual identifier standard suspended
- Assorted bills before Congress to repeal the national individual identifier
Resources

- HHS Administrative Simplification Web Site
  - [http://aspe.hhs.gov/admnsimp/Index.htm](http://aspe.hhs.gov/admnsimp/Index.htm)

- OCR Privacy Website:
  - [http://www.hhs.gov/ocr/hipaa.html](http://www.hhs.gov/ocr/hipaa.html)

- NCVHS Web Site
  - [http://aspe.hhs.gov/ncvhs](http://aspe.hhs.gov/ncvhs)
More resources

- Washington Publishing Company Web Site

- Workgroup for Electronic Data Interchange:
  www.wedi.org (SNIP links)

- AHLA Health Information and Technology Committee and Listserv:
  http://HIT@HealthLawyers.org
HIPAA Standards Glossary

- ANSI--American National Standards Institute
- Business Associate: a person (other than an employee or other workforce member) who
  - performs, for a covered entity, a function requiring use or disclosure of protected health information or
  - provides a service (e.g., accounting, legal, data processing) that requires disclosure of PHI

HHS/OGC
Covered Entity: A member of one of three groups subject to administrative simplification: health plans, clearinghouses or providers that conduct transactions electronically.

DSMO--Designated Standard Maintenance Organization: An SDO sponsoring one or more standards adopted as national standards responsible for maintenance and coordination of such standards.
Glossary, continued

- HIPAA--Health Insurance Portability and Accountability Act of 1996 (Pub. L. 104-191)
- HISB--Health Informatics Standards Board: private coordinating group for health standards
- HL7--Health Level Seven: a private SDO that develops format and content for electronic health text messages
Glossary, continued

- **NCPDP**--National Council on Prescription Drug Programs: SDO that develops electronic standards for retail pharmacy transactions

- **NCVHS**--National Committee on Vital and Health Statistics: Group organized as a Federal Advisory Committee Act committee to advise the Secretary on health data issues, including HIPAA standards
Glossary, continued

- NTTAA--National Technology Transfer and Advancement Act of 1995, Pub. L. 104-113
- OCR--Office for Civil Rights: agency delegated responsibility for implementation and enforcement of HIPAA privacy requirements
- SDO--Standard Development Organization
Glossary, continued

- Trading Partner Agreement: contract or similar document establishing rules for exchange of electronic information between two or more persons
- X12: ANSI committee responsible for electronic transactions
- X12N: Insurance subcommittee of X12