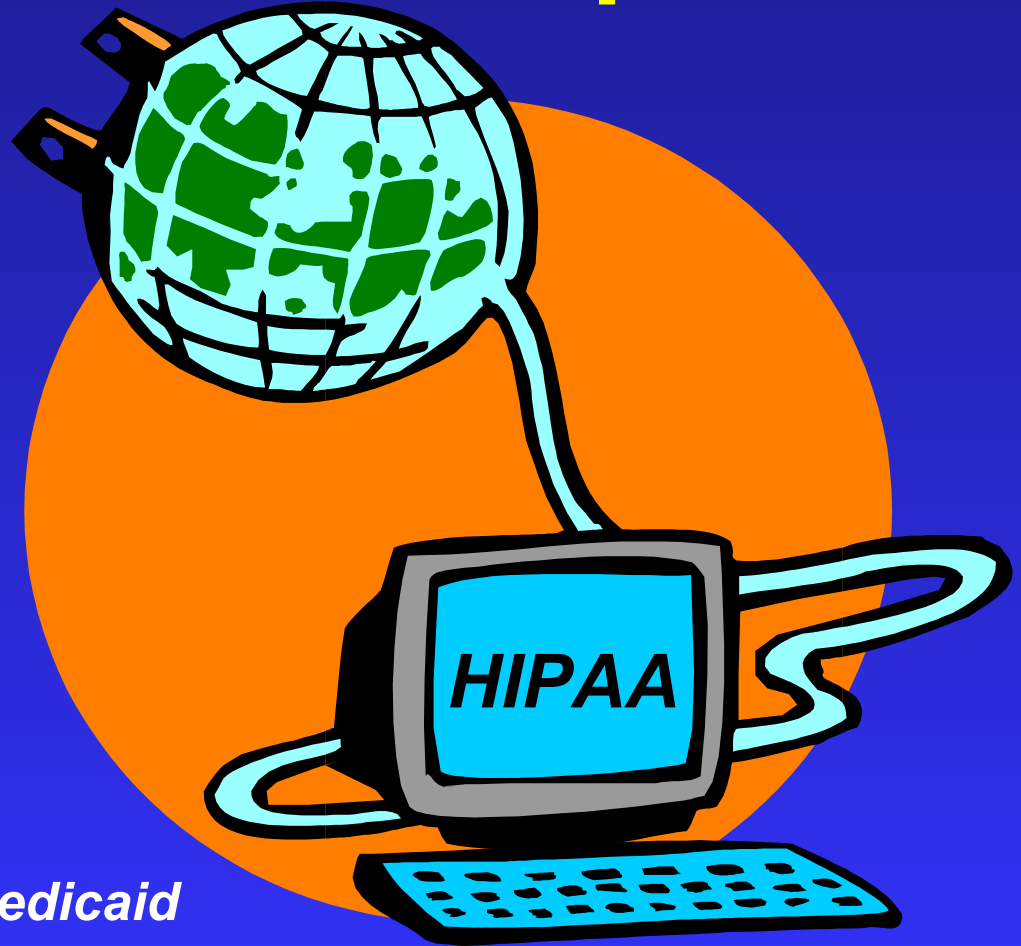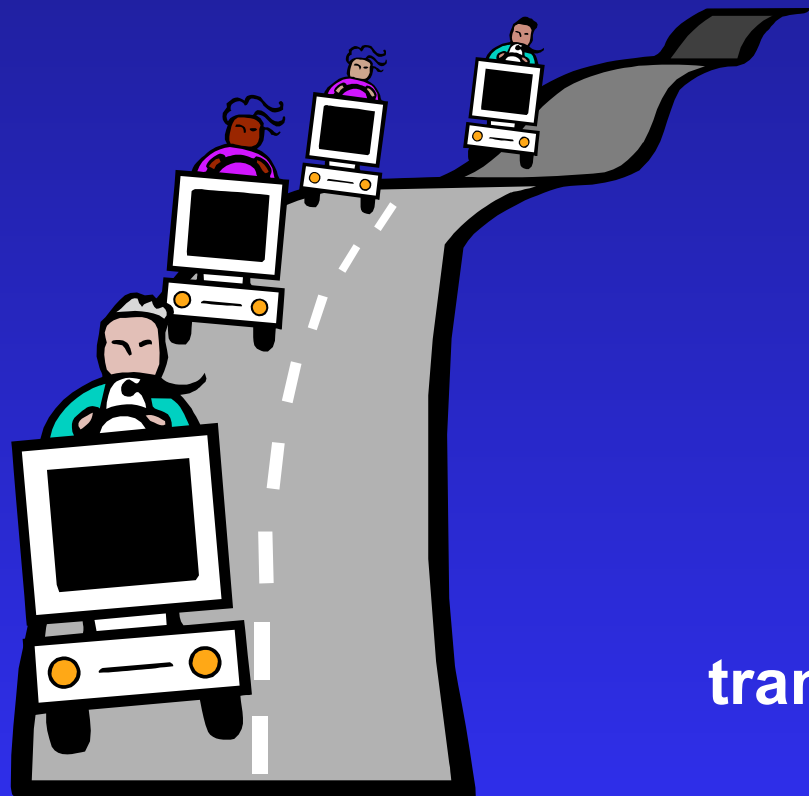# Systems, Data and HIPAA from a Medicaid Perspective

HIPAA

Rick Friedman, Director
Division of State Systems
Center for Medicare and Medicaid
US Dept Health & Human Services

HIPAA Overview

What -- National standards to be adopted by Secretary of HHS

Who -- *All* health plans, *all* clearinghouses, and those providers who choose to conduct these transactions electronically, are *required* to implement

When – Oct 2003 for transactions requirements; April 2003 for privacy

Note -- does NOT require providers to use EDI

HIPAA's Purpose

- **Improve the efficiency and effectiveness of the health care system by standardizing the electronic data interchange of certain administrative and financial transactions.**

- **Protect the security and privacy of transmitted healthcare information.**
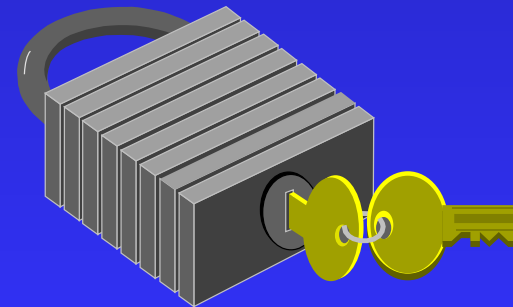
HIPAA's Scope

- **Administrative transactions**
- **Code Sets**
- **Identifiers**
- **Security**
- **Electronic signature**
- **Privacy of individually identifiable health data**

Additional Provisions

- **Penalties**
  - $100 per violation of standards (up to $25K total per year).
  - $50K to $250K and 1 to 10 years in jail for wrongful disclosure of individually identifiable health information.
- **Expanded HIPAA responsibilities for NCVHS**
  - HHS to "rely" on NCVHS recommendations
  - Track implementation for Congress
  - Identify issues/barriers and advise HHS on mitigating strategies

Key HIPAA Committees

Designated Standards Maintenance Organizations (DSMO)

- ANSI X-12
- Health Level Seven (HL7)
- Natl. Council for Prescription Drug Plans (NCPDP)
- National Uniform Claims Committee (NUCC)
- National Uniform Billing Committee (NUBC)
- American Dental Assoc. (DeCC)

DSMO Role in HIPAA Implementation

- **Collaborative process to evaluate change requests and develop recommendations**

- **Substantive changes reviewed by NCVHS with open hearings and recommendations to HHS**

- **Will be ongoing yearly process (in general Secretary may only make changes yearly)**

- **DSMO Web Site established to accept change request to mandated standards: www.dsmo.org**

What about the other standards?

- **Employer ID, Provider ID, Security final rules planned for release this year (?)**
  - **Security especially will be a major challenge**
- **Claims Attachment and Health Plan ID NPRMs this year (?)**
  - **Health Plans need to be comfortable with whatever is proposed for the Health Plan ID**
  - **Claims Attachments: major opportunity and challenge!**
  - **Opportunity to respond to NPRMs after release**
- **Electronic Signature TBD**
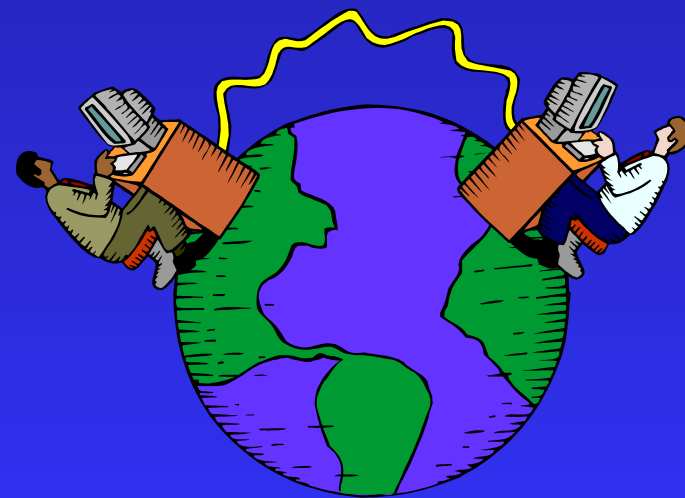
A Reminder: What Does HIPAA Mean to YOU?

- **HIPAA is the law**
- **There are deadlines for compliance**
- **There are civil and criminal penalties**
- **YOU are a covered entity-- buck stops here**
- **Affects all partners; requires cooperation**
- **Could have major impacts on business operations**
- **It's bigger than Y2K**
- **Has impact on future business strategies**

Key Points
Worth Remembering
When Implementing HIPAA

1. Address more than compliance aspects; i.e. recognize this is not an IT problem

2. Don't rush through the planning phase

3. Remember Y2K lessons on process:

   -- Do your homework   -- Plan accordingly

   -- Find a champion   -- Build a committed team

4. Recognize HIPAA as a unique opportunity to improve business practices… using EDI as the enabler

Medicaid HIPAA-Compliant Concept Model

- **Two Views**
  - **Enterprise-wide: agency + trading partners**
  - **Operational from within an agency**
- **Interactive CD**
- **Tool Kit – regs, definitions, contacts**
- **Can Be Easily Customized to Meet Your MCO-specific Needs**

NOTE: Check it out at www.mhccm.org or request a copy via e -mail to:
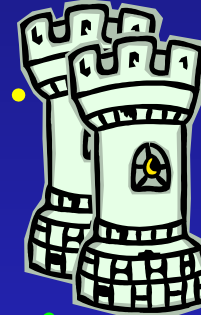
kleshko@cms.hhs.gov

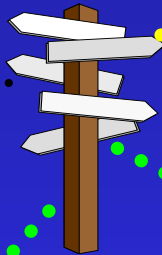Health Plan Enterprise Data Exchange Partners View
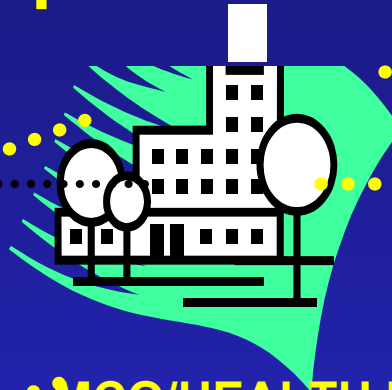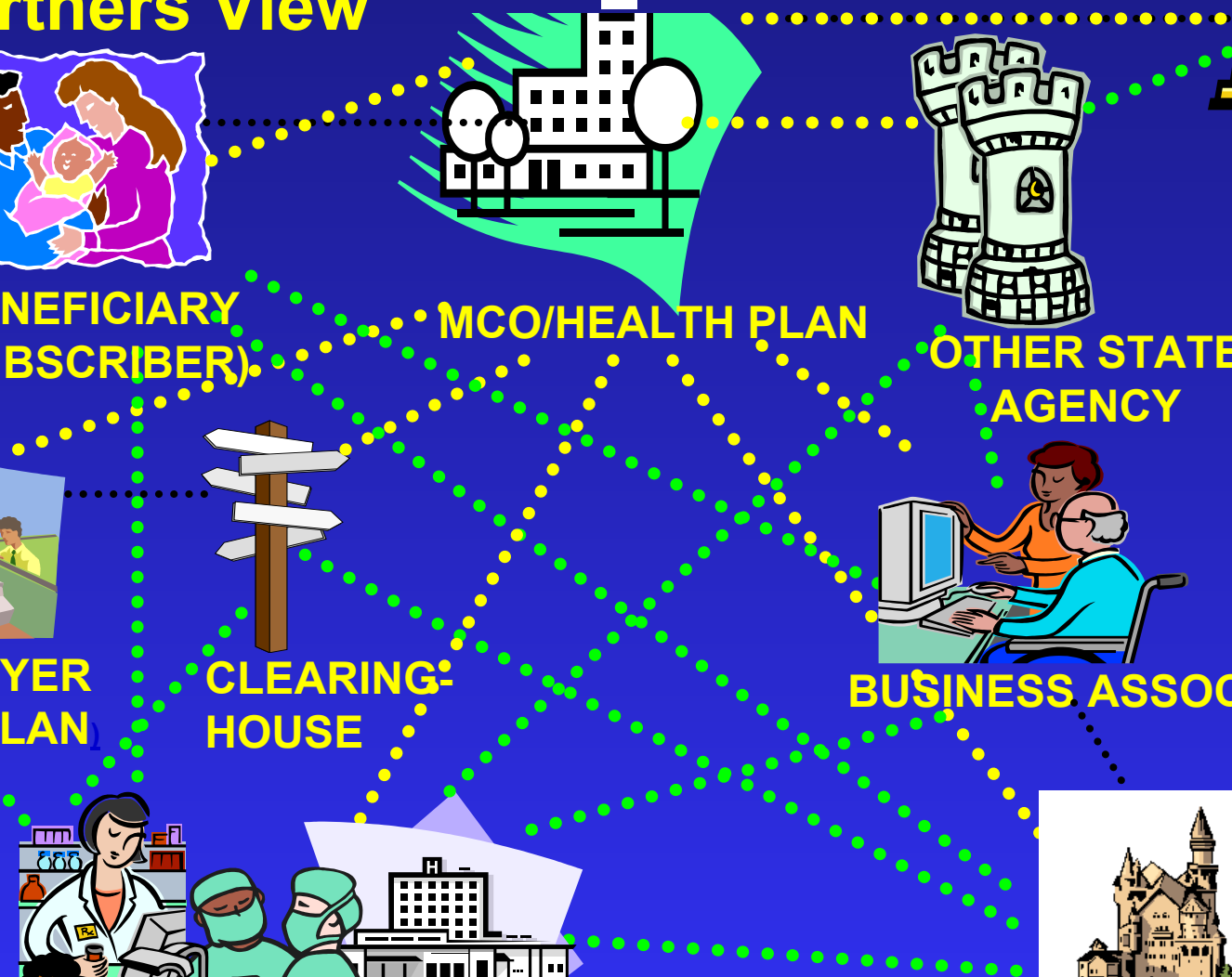
Health Plan Business Process View