

HIPAA Summit Audio Conference

**A Case Study in Employer
HIPAA Privacy Compliance**

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Springs Industries, Inc.

Fort Mill, SC

Company Overview

- Manufacturer of home furnishing products
- 16,000 U.S. employees
- Plan design handled in a centralized manner
- Claim resolution and inquiries handled in a decentralized manner by local plant HR management
- History of paternalism and hand holding

Organizational Acceptance

- Difficult to understand logic of the law
- Frustrated by resources it requires
- Still trying to educate the organization of why changes are necessary
- Another disincentive to offering employer sponsored benefits
- Another cost that makes foreign sourcing of our product more attractive

Current Status

- Work in process started in July 2002
- Reviewed current practices to identify gaps and priorities
- Most requirements viewed as “administrative hassles” not requiring substantial plan operational changes at the employer/plan sponsor level
- Question as to what will operational compliance look like given the newness of the regulations?

Project Team

- Led by employee benefits
- Team includes:
 - Legal
 - Occupational Health
 - General HR
 - Communications
 - Carriers
 - Outside Consultant

Role of HR Manager

- How will carriers react to HIPAA and will they disclose information to HR Managers?
- May need to develop or buy a Service Center
- The feeling is HIPAA will hurt our employees overall

Employee Assistance Plan

- Currently decentralized
- HIPAA creating need to review goals of program
 - Broad based employee benefit vs. employment tool (fitness for duty)
- Local contracts vs. national contract

Vendors

- Death of small providers (e.g. EAP)
- Indemnification clauses will result in us working with larger (and more professional) organizations