

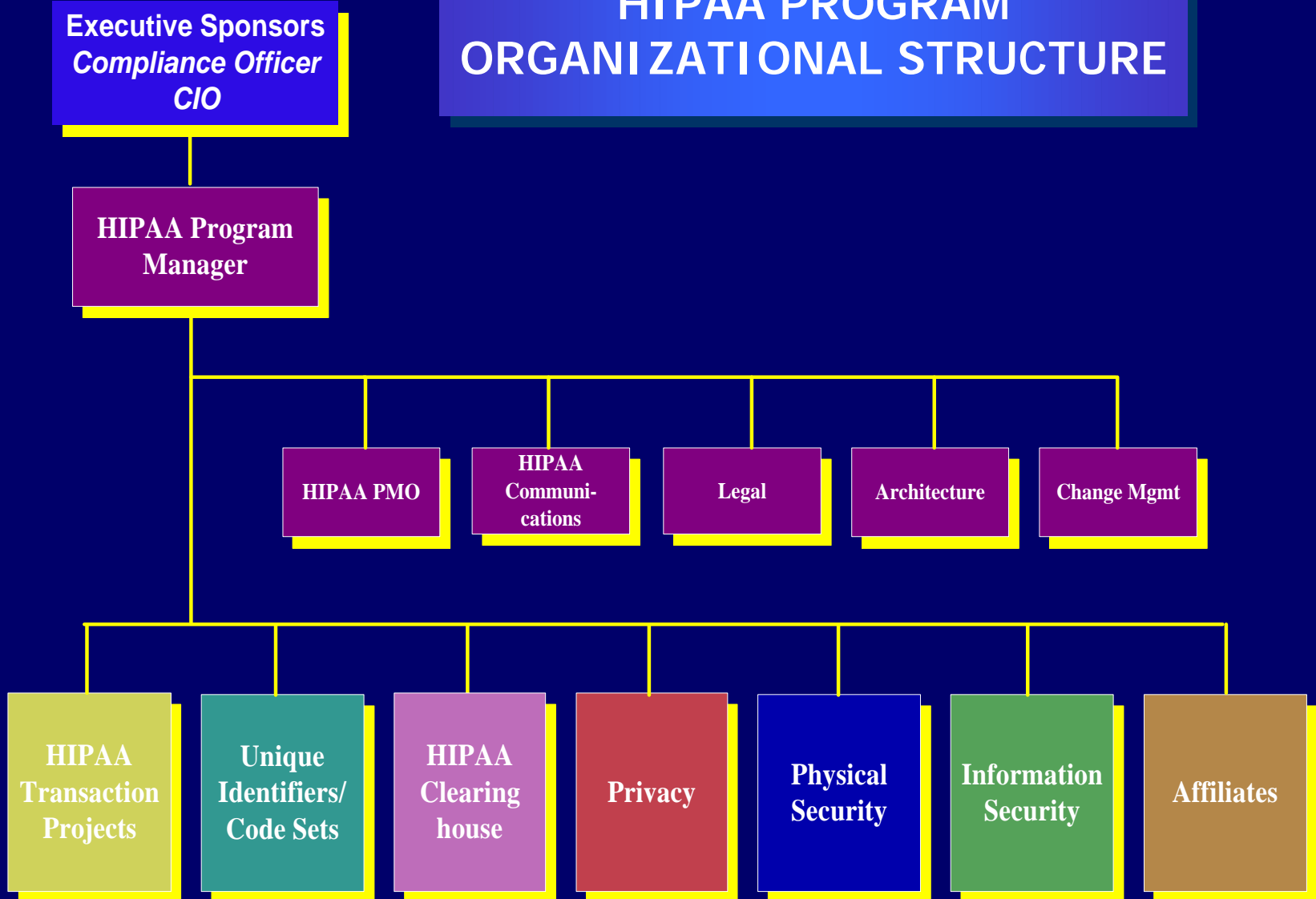
**HIPAA Compliance**  
**at**  
***Blue Cross Blue Shield***  
***of***  
***Minnesota:***  
***A Case Study***

***Tim Wittenburg***  
***Director of Corporate Architecture & Data Management***

# Agenda

- **HIPAA Project Organization**
- **Keys to HIPAA Success**
- **Accomplishments**
- **Clearinghouse Approach**
- **Risks/Challenges**
- **2002 Plans**

# HIPAA PROGRAM ORGANIZATIONAL STRUCTURE



# HIPAA -- The Blue Cross Approach

## Keys to Success

- **Enterprise-Level in Scope**
  - Blue Cross and Affiliate Companies
- **Emphasis on Planning & Assessment**
- **Alignment with future business and technology strategies**
- **Executive Sponsorship**
  - Sr. Vice-President (Compliance Officer)
  - Sr. Vice-President (CIO)
- **Involvement on External HIPAA Workgroups**
  - Local Level (MHDI, Uniform Billing Committee, Larger Payer/Provider Workgroup)
  - National Level (BCBSA, WEDI, ANSI, etc.)

# Industry Opportunities and Challenges

## Opportunities

- Realize cost savings by conducting more business electronically and using Nationally accepted transaction standards
- Increase quality due to fewer administrative errors
- Reduce fraud and abuse
- Guarantee security and privacy of consumer health information

## Challenges

- Magnitude of undefined HIPAA regulations are unknown
- Delays in enforcement potentially will have a financial impact
- Impact to processes and work flows are intra and inter-company
- Expected benefits and savings are yet to be determined

# What steps has Blue Cross taken?

## 2000

- **Conducted an Enterprise-Level Assessment of Blue Cross Operations**
- **Conducted HIPAA Assessment for Blue Cross Affiliates:**
  - Atrium Health Plan, Inc.
  - Behavioral Health Services, Inc. (BHSI)
  - Comprehensive Care Services, Inc. (CCS)
  - First Plan of Minnesota
  - MII Life, Incorporated
- **Developed a high-level overall HIPAA Implementation Plan**

# What steps has Blue Cross taken?

## 2001

- Initiated work on the transactions
- Selected and implemented translator tool
- Implemented a Claims Repository for capturing all submitted data
- Implemented a Plan for Development and Maintenance of Policies for Privacy and Security
  - Finalized and gained approval on new Privacy Policies
- Established an Implementation Strategy for Affiliates
- Established Communications Framework
- Established Local Work Group of large Payers/Providers to develop a coordinated transaction implementation effort within the Minnesota Community

# HIPAA Transaction Support

- Selected a new EDI translator (Paper Free)
- Incorporated into the BCBSM Clearing house
- Built new Maps:

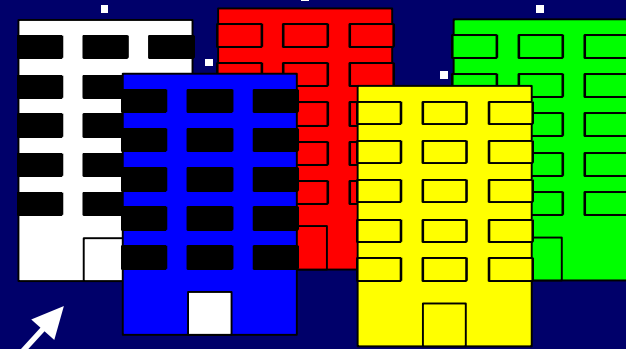
	<u>X12 Transaction</u>	<u>Status</u>
<b>Claim</b>	<b>837 Institutional 837 Professional</b>	<b>Testing in Process Testing in Process</b>
<b>Remittance Advice</b>	<b>835</b>	<b>Testing in Process</b>
<b>Eligibility</b>	<b>270/271</b>	<b>Testing in Process</b>
<b>Claim Status</b>	<b>276/277</b>	<b>Testing to begin Q3</b>
<b>Referral</b>	<b>278</b>	<b>Testing to begin Q3</b>
<b>Enrollment</b>	<b>834</b>	<b>Testing in Process</b>



# HIPAA Enterprise Transactions



**External  
Transactions**



**Affiliate Systems**

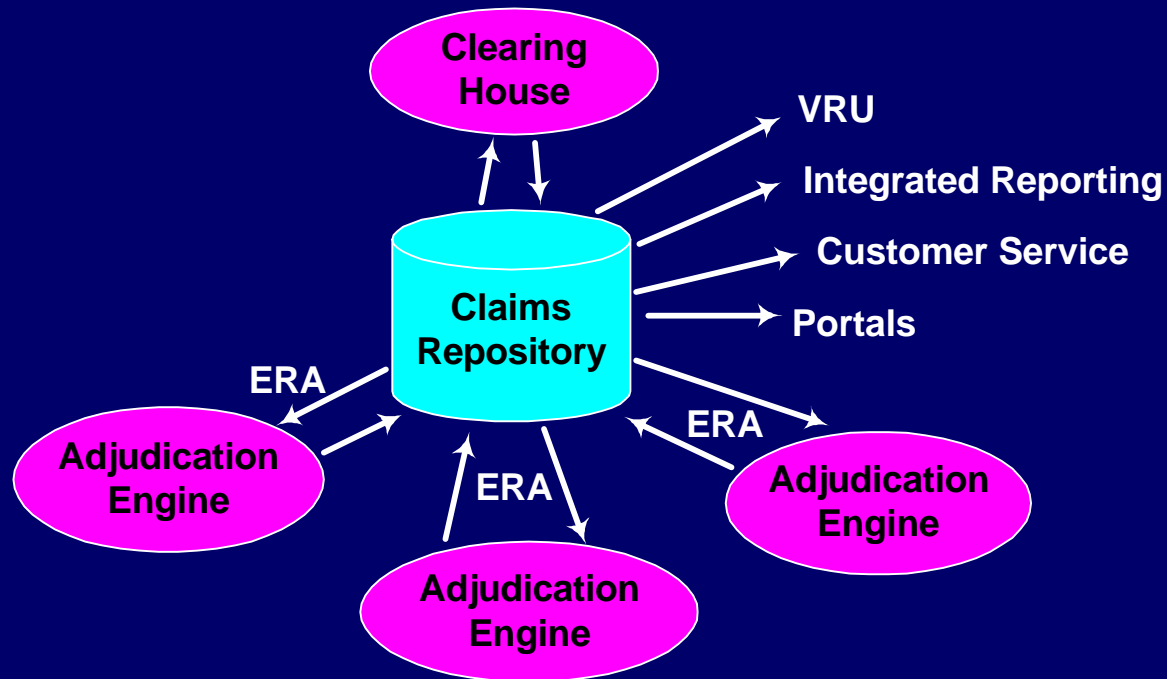
**BCBSM  
Clearinghouse**

**BCBSA  
Blue  
Exchange**

**BCBSM  
Internal  
Processing**

# Claims Repository

- Built a Claims Repository
  - Contains All Data Elements from Submitted Claims

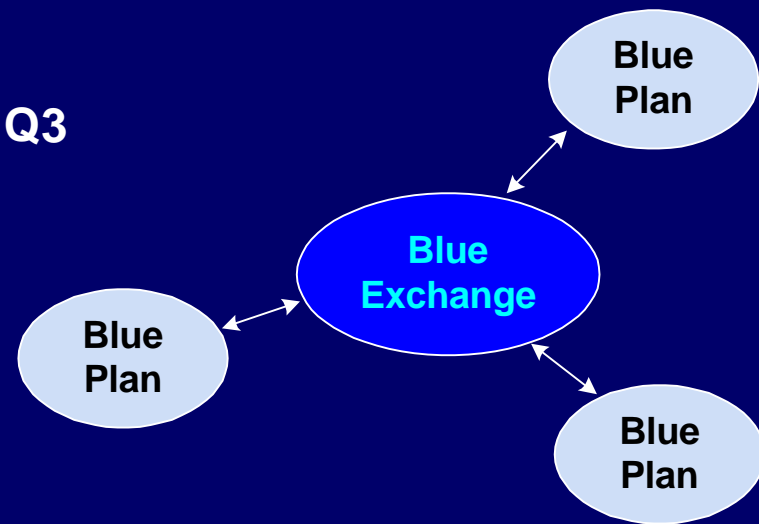


- Eliminates Info Letters
- Master Records for Entire Book of Business
  - Including Adjustments, Settlements

# Blue Exchange

- Next Generation Infrastructure Supporting National Business
- Implemented:

Eligibility	270/271
Claim Status	276/277
Referral	278 to begin Q3



- Real Time and Batch Support
- Near Term Applications
  - National Provider Directory
  - National Eligibility

# Potential Areas of Risk & Management Action

## *Interdependency of Payers/Providers on the implementation of transactions*

- Collaborate with large payers/providers on an independent HIPAA certification
- Coordinate a phased implementation schedule to facilitate 'transition' to full HIPAA compliance
- Coordinate a Provider Communication Plan with other payers
- Establish HIPAA Clearinghouse to assist providers with HIPAA compliance

## *Delays with publication of HIPAA Regulations or changes to existing schedules by DHHS may delay implementation plans and increase costs*

- Establish an implementation strategy based on current DHHS schedule and obtain 'buy-in' from key provider/payer organizations
- Leverage HIPAA requirements as foundation for eBusiness strategy
- Leverage HIPAA privacy regulations in meeting state requirements for confidentiality of patient level information

# Privacy

- **Hired a Privacy Director**
- **Privacy Policies Created to Support these Regulations:**
  - **HIPAA**
  - **Gram-Leach-Bliley**
  - **State of Minnesota**
- **Procedures are being Prepared to Implement the Procedures**

# Privacy Challenges

- Critical issue at the local level
- Public statements are viewed as policies
- Conscience shift in how employees perform their job
- Employee training so that they understand and can apply the content of the privacy policies
- Employee compliance with policies and procedures to perform their day-to-day jobs

# Security

- **Security Policies** are being formulated
- **Implementation Procedures** scheduled for completion Q4 2002
- **Employee Confidentiality Agreements** were reviewed and updated
- **Tivoli Policy Director and Security Manager** were purchased
- **All Web access** coordinated Through Tivoli
- **Mechanism for secure disposal of Protected Health Information** installed
- **Employee training** raising awareness of security practices and Procedures

# Blue Cross HIPAA Strategy for 2002

- **Apply for transaction code set compliance extension as a safety precaution and allowing for flexibility**
- **Implement Transaction and Code Set Requirements**
- **Implement Blue Cross Clearinghouse capabilities**
  - **Connectivity and implementation of Blue Exchange**
- **Develop and implement Trading Partner migration strategy for HIPAA transaction processing**
- **Implement transaction/code sets and privacy requirements for Affiliate operations**



# Blue Cross HIPAA Strategy for 2002

- **Implement Privacy Policies and supporting desk-level procedures**
  - **Trading Partner Agreements**
  - **Business Associate Agreements**
  - **Employee Training**
- **Finalize Security Policies**

**Questions?**  
**Comments?**