

# Pre-conference II, 10-30-02

Integrating Information Technology into your Privacy Program

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**HIPAA**  
**ACCELERATOR**

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# Postings from a HIPAA Newsgroup – 1+ Years Ago

- Question:
  - “Is there any need for an IT or technical solution to the privacy provisions of HIPAA?”
- Answers:
  - “I cannot answer the question as I do not understand the privacy regulations or their implications...”
  - “No, we don’t see any need right now, we’ll continue to do things manually.”
  - “No, the privacy regulations are unlike the security and transactional regulations because they don’t require a technical solution.”

# Postings from a HIPAA Newsgroup – 6 Months Ago

- Question:
  - “Is there any need for an IT or technical solution to privacy provisions of HIPAA?”
- Answers:
  - “Absolutely. The regulations require certain disclosures to be reportable back to patients. How are we going to record thousands of potential disclosures without an IT solution?”
  - “Yes, we must. Our Designated Record Set is distributed across several databases and systems. We need to use IT to coordinate Access {to PHI - 164.524} requests and fulfillment.”
  - “I’m not getting thrown in jail because a new customer service rep does not follow our privacy policy...we’re using IT systems to enforce those policies”

# Covered Entity Privacy Trends

- There is a growing realization that HIPAA privacy cannot simply be solved with policies and procedures alone
  - An IT solution is often more cost-effective and there is demonstratable ROI
- Most existing insurance or medical IT systems don't provide the type of functionality required for the HIPAA Privacy regulations:
  - PHI Disclosure Tracking and Reporting
  - Notice Acknowledgment Tracking
  - Authorization Management
  - Etc.
- HIPAA Privacy is unlike HIPAA Standard Transactions in that there is a significant cost associated with both becoming compliant AND maintaining compliance

# Today's Agenda

1. What privacy provisions of HIPAA are targeted for IT solutions?
  - Examples for §164.524 PHI Access and §164.528 Access to an Accounting of PHI Disclosures:
    - What are the possible information technology solutions for these regulations?
    - How do you know if an IT solution is right for you?
    - How can you cost-justify an IT privacy solution?
2. What are the first critical questions and actions required to define and justify a HIPAA privacy IT solution?

# What Privacy Provisions are CEs Most Concerned About?

- The top regulations (or portions of regulations) that CEs are most concerned about (the “Privacy Big 9”):
  1. **§164.524 - PHI Access**
  2. **§164.528 - PHI Disclosure Accounting**
  3. §164.526 - PHI Amendment
  4. §164.522 - Privacy Protection
  5. §164.522 - Confidential Communications
  6. §164.528 - Disclosure Recording
  7. §164.508 - Authorization Management
  8. §164.520 - Notice Management
  9. §164.530 - Privacy Complaint Management

# §164.524 PHI Access – Covered Entity Challenges

- Regulation: “...an individual has a right of access to inspect and obtain a copy of protected health information about the individual in a designated record set...”
- Challenges (think in terms of time, cost, and effort imposed on your organization for each of these):
  - Distributed DRS Data
    - Most mid to large size CEs store PHI data across different media and systems: databases (versions, manufacturers, etc.), flat files, health care or insurance specific software with proprietary storage, paper files, etc.
    - We have customers that have 300+ DRS elements!
  - Request Management
    - 30 days to fulfill, 60 days if information is off-site, etc.
    - Regulatory processes for acceptance, denial, etc.
    - Coordinate across multiple departments and business associates
  - Form of Access
    - Cannot use simply provide unformatted, confusing data – copies or data dumps will often result in higher costs
- Conclusions:
  - Pure manual fulfillment of PHI Access requests will be cumbersome, time consuming, and costly

# §164.524 PHI Access – IT Solutions

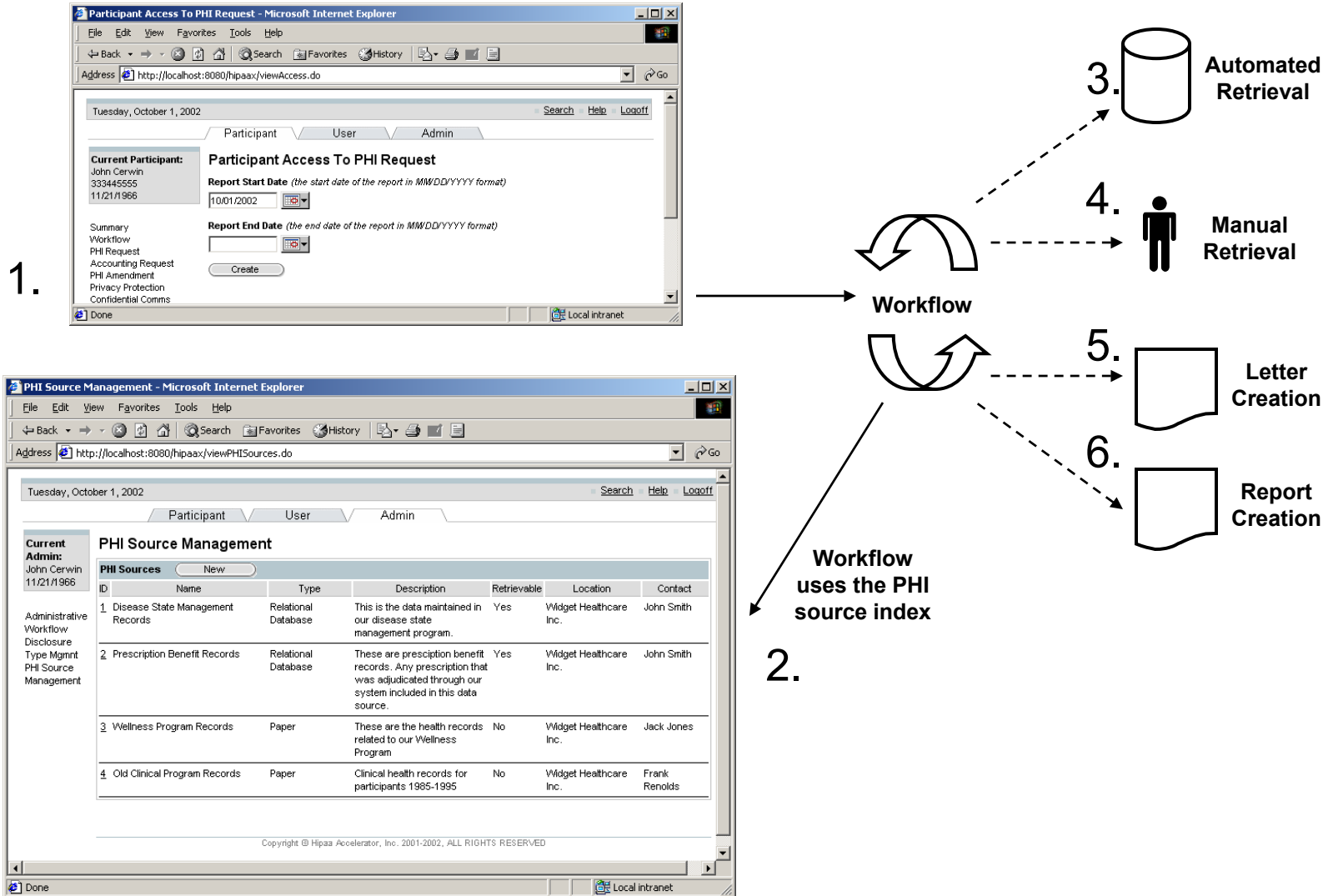
- IT Solution #1 - Partial Automation
  - Normally results in a 50% reduction in time and costs associated with manual PHI Access request and fulfillment processing
    1. PHI Source Indexing
      - Define what the sources of the DRS are: location, type (e.g. file cabinet, database, etc.), description, access codes, owner, owner contact information, etc.
      - Store the PHI Source information in a database
    2. Automated Correspondence
      - Generate letters (acceptance, denial, 30 day extension, etc.) via a document generation/management tool
    3. Electronic Workflow Management
      - Automate the manual procedure for PHI Access request and fulfillment via a workflow or work management application.



# §164.524 PHI Access – IT Solutions, continued

- IT Solution #2 - Full Automation
  - Normally results in an 85% reduction in time and costs associated with manual PHI Access request and fulfillment processing
    1. Automated PHI Retrieval
      - Automate the retrieval of all electronic DRS elements
    2. Automate PHI Report Creation
      - Consolidate the retrieved PHI into a formatted and understandable PHI report
    3. Integrate all elements of Partial Automation (PHI Source Indexing, Automated Correspondence, and Workflow Management)
      - Use the workflow to drive the retrieval (via source indexing), letter generation, PHI report generation, etc.

# §164.524 PHI Access – IT Solutions, continued



# §164.524 PHI Access – IT Solution Considerations

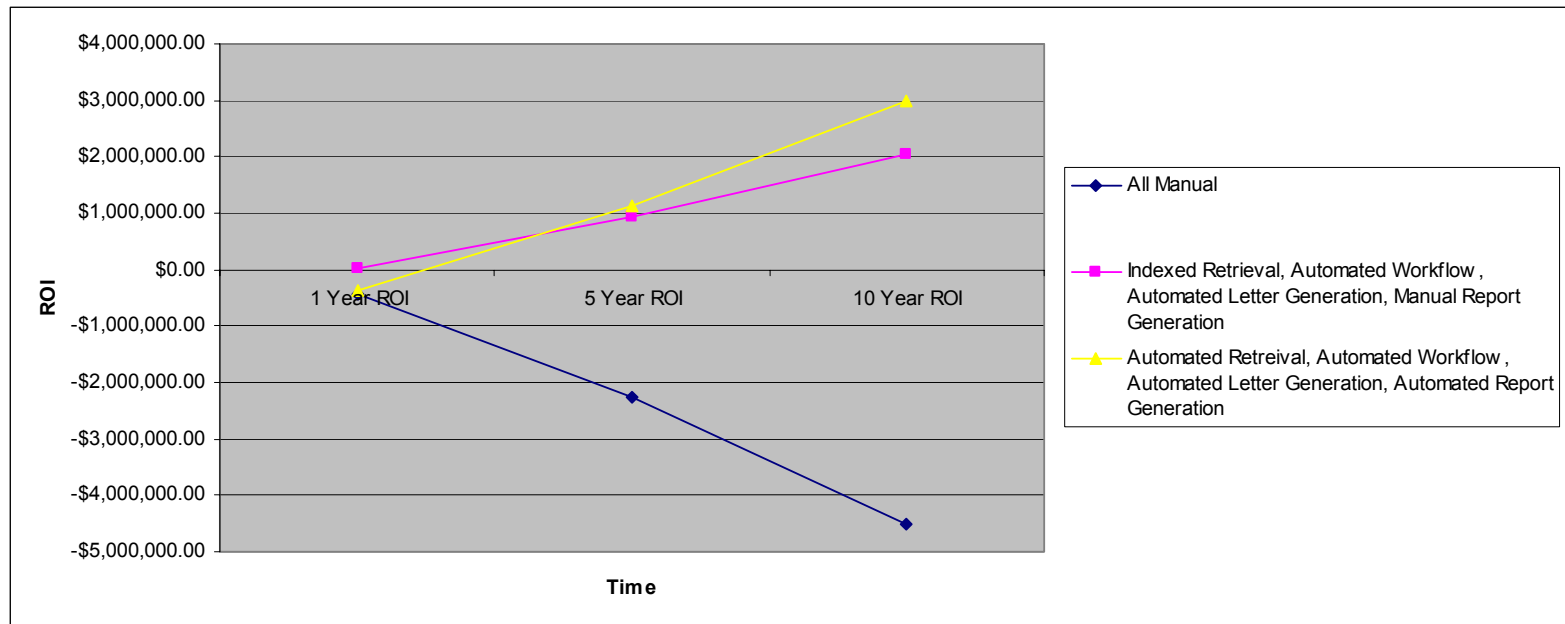
- Which IT solution, if any, is right for you? What factors must you consider?
  - How many DRS elements do you have and where are they located?
  - How many participants/patients/members do you have?
  - What is the demographic makeup of that group?
  - How many PHI Access requests do you expect?
    - On average  $\frac{1}{2}$  of 1 percent per year (3MM = 1500 requests per year)
    - Baseline for requests: How many appeals, complaints, lawsuits, etc. do you face per year?
    - What happened in other industries with similar laws?
  - What will you do if the number of requests is greater than expected?
  - Attempt a “trial run”, e.g. how long does it take your staff to manually receive and fulfill a PHI Access request?
  - Can you cost-justify an IT solution for PHI Access?

# §164.524 PHI Access – IT Solutions ROI

- How can you cost-justify a PHI Access IT privacy solution?
  - Actual client with 3 primary groups of data sources, and 3MM active lives
    - *Rx Data: 4 hours to manually retrieve and prepare*
    - *Clinical Data: 4 hours to manually retrieve and prepare*
    - *Specialty Rx Data: 4 hours to manually retrieve and prepare*
    - 12 hours to manually fulfill one request:
      - \$25 per hour employee \* 12 hours to fulfill a request = \$300 per PHI Access request
      - 1500 yearly report requests or ½ of 1% of population = 18,000 hours and \$450,000 per year, \$2,250,000 over 5 years!

# §164.524 PHI Access – IT Solutions ROI, continued

- PHI Access cost comparison:
  - All manual: 18,000 hours and \$450,000 per year
  - Partially Automated (50% savings): Savings of 9,000 hours and \$225,000 per year (manual cost – IT system savings + one time IT investment of \$200,000)
  - Fully Automated (~85% savings): Savings of 15,000 hours and \$375,000 per year (manual cost – IT system savings + one time IT investment of \$750,000)



# §164.528 PHI Disclosure Accounting – Covered Entity Challenges

- Regulation: “*An individual has a right to receive an accounting of disclosures of protected health information made by a covered entity in the six years prior to the date on which the accounting is requested...*”
- Challenges (once again, think in terms of time, cost, and effort imposed on your organization for each of these):
  - **Must** Record Disclosures
    - All reportable disclosures must be recorded in anticipation of a patient/participant’s right to an accounting of disclosures
  - Volume
    - Disclosures will run in the thousands (or in some cases millions) per year
    - A recent CE RFP contained a projection of 66-218 million disclosures over 6 years
  - Lack of Existing System Capabilities
    - Few (if any) existing systems provide a mechanism for recording disclosures or for fulfilling requests for disclosure accounting
- Conclusion
  - Pure manual disclosure documentation (and fulfillment of accounting requests) will be cumbersome, inconsistent, time consuming, and costly

# §164.528 PHI Disclosure Accounting – IT Solutions

- IT Solution – Centralized Disclosure Tracking and Request Fulfillment
  - Normally results in an 85% reduction in time and costs associated with manual PHI disclosure tracking and accounting request fulfillment
    1. Disclosure Recording
      - Create a distributed application that allows for centralized, consistent recording of disclosures (to be used later in accounting requests)
      - Predefine your organization's reportable disclosure types and their attributes (e.g. type = workers compensation, etc.) within the application's database
    2. Disclosure Accounting Request Fulfillment
      - Generate disclosure accounting reports direct from the database
      - If required, use a workflow application to manage disclosure report generation, coordination across employees, letter generation etc.)
      - Centralize management of disclosure rights suspension

# §164.528 PHI Disclosure Accounting – IT Solution Considerations

- Is an IT solution right for you? What factors must you consider?
  - How many reportable disclosures do you currently make, and from which departments/facilities?
  - How many participants/patients/members do you have?
  - What is the demographic makeup of that group?
  - How many PHI Disclosure Accounting requests do you expect?
    - On average  $\frac{1}{2}$  of 1 percent per year (3MM = 1500 requests per year)
    - Baseline for expectations: How many appeals, complaints, lawsuits, etc. do you face per year?
    - What happened in other industries with similar laws?
  - What will you do if the number of requests is greater than expected?
  - Attempt a “trial run”, e.g. how long does it take your staff to record a disclosure, how long does it take to manually receive and fulfill a PHI Disclosure Accounting request?
  - Can you cost-justify an IT solution for PHI Disclosure Accounting?

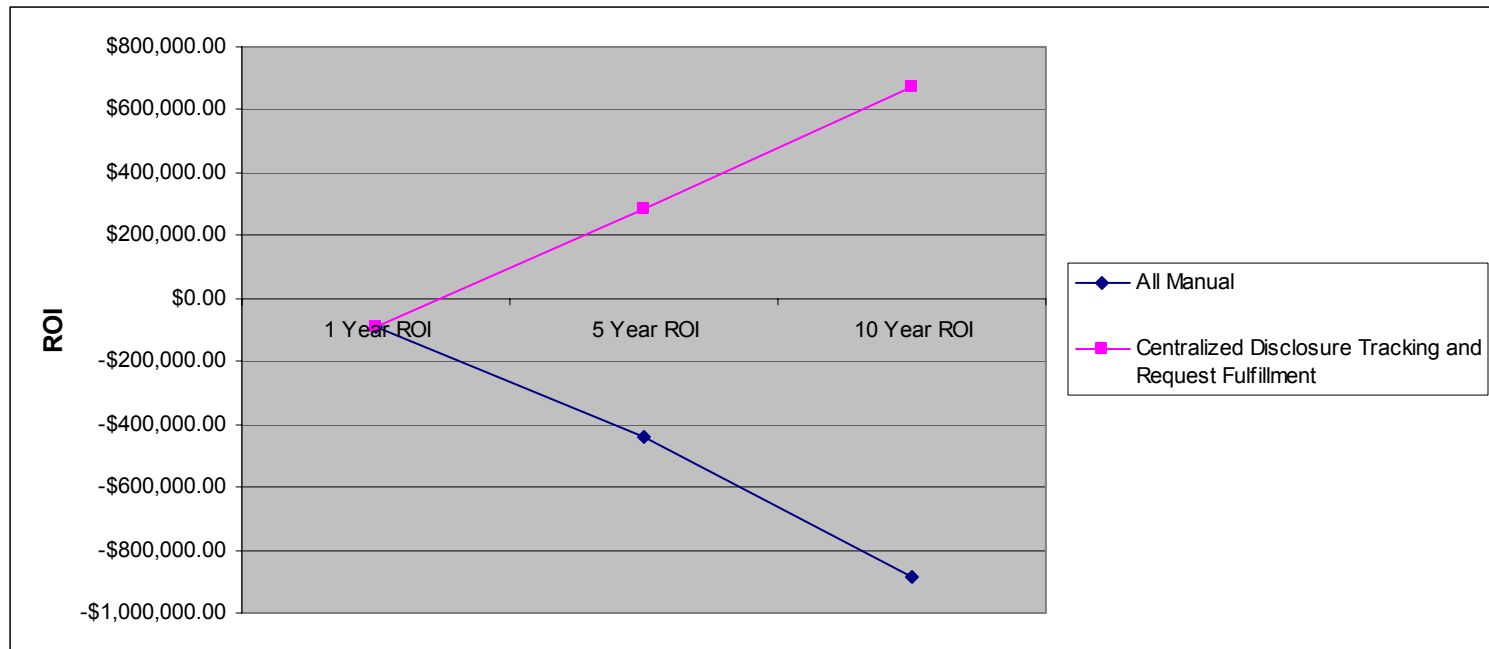


# §164.528 PHI Disclosure Accounting – IT Solutions ROI

- How can you cost-justify a PHI Disclosure Accounting IT privacy solution?
  - Actual client with 25 disclosures per day and 3MM active lives
    - ~2 hours to manually record 25 disclosures per day (5 minutes per disclosure)
      - \$25 per hour employee \* 2 hours per day = \$50
    - 2 hours to manually fulfill one request:
      - \$25 per hour employee \* 2 hours per report = \$50 per report
    - 1500 yearly report requests or 1/2 of 1% of the population = 3541 hours and \$88,541, \$442,708 over 5 years!

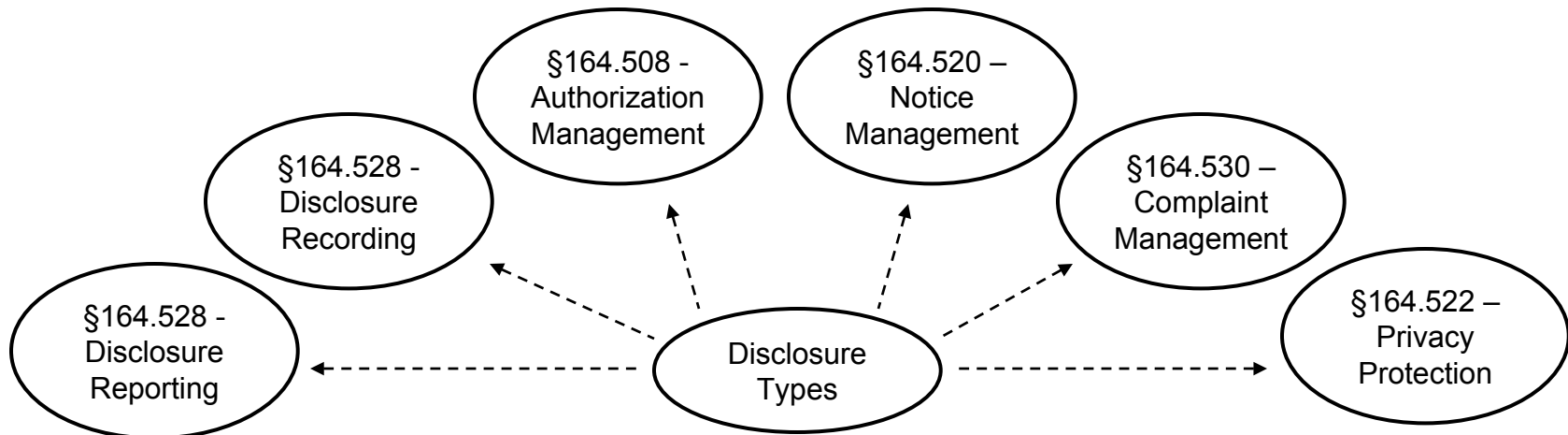
# §164.528 PHI Disclosure Accounting – IT Solutions ROI, continued

- PHI Disclosure Accounting cost comparison:
  - All manual: 3541 hours and \$88,541
  - Centralized Disclosure Tracking and Request Fulfillment (85% savings): Savings of 3099 hours and \$77,474 per year (manual cost – IT system savings + one time IT investment of \$100,000)



# §164.528 PHI Disclosure Accounting – IT Solution, continued

- The fundamental importance of defining disclosure types with other HIPAA privacy IT solutions



#### **HIPAA-Defined Types:**

- Disclosures required by law
- Disclosures for public health activities
- Disclosures about victims of abuse
- Etc...

#### **Custom Types:**

- New Mom Marketing
- Merck Vioxx Research Study
- Etc.

# What are the First Critical Questions and Actions Required to Define and Justify a HIPAA Privacy IT Solution?

- Questions:
  - What is the size of your patient/participant base (now and in the future)?
  - What is the demographic makeup of your patient/participant base?
  - What privacy provisions will be most cumbersome to implement manually?
  - Which defined procedures are longest?
- Actions:
  - Determine a “baseline” for volumes
  - Attempt procedure “trial runs”
  - Perform an ROI or “cost-avoidance” analysis against trial runs
  - Electronically define your disclosure types
  - Electronically define your PHI sources and their attributes
  - Determine how you will scale up your procedures or IT systems if you underestimate the impact of privacy
  - Create a consolidated HIPAA application