

In compliance...

...with HIPAA rules

by the Division of Advocacy and Health Policy

Practices must be in compliance with the privacy provisions in the Health Insurance Portability and Accountability Act (HIPAA) by April 14, 2003. For the last year, this column has outlined the HIPAA requirements and has offered examples and resources for surgical practices to use when designing products and processes that will help ensure the confidentiality of patient information. We hope that this information has been helpful to surgeons and their staffs in creating materials necessary to meet the privacy regulations.

In addition to the April 14 deadline, surgeons should keep in mind some other dates pertinent to HIPAA compliance. For example, last October the Centers for Medicare & Medicaid Services (CMS) allowed covered entities to file for an extension, which would give a practice an additional year to comply with HIPAA transaction and code-set standards. Additionally, the deadline for starting the testing phase of the electronic claims transactions between physicians' offices and the health plans or claims clearinghouse is April 16, 2003.

If a practice submits electronic claims directly to a payor, testing means ensuring that the practice's software is capable of sending and receiving electronic transactions in the standard HIPAA format. If a clearinghouse submits the practice's claims, it's important to make certain the clearinghouse is testing its software with all of the health care plans the practice accepts. If a practice has not heard from its software vendors, the clearinghouse, or the accepted health care plans, the practice should call and verify when those businesses intend to begin testing.

If a software vendor provides unsatisfactory answers to a practice's HIPAA questions, it might be a good idea to visit the payors' Web sites to see if they have posted vendor lists. Medicare carriers maintain these lists. In some cases, payor Web sites also offer monthly updates from vendors, clearinghouses, and billing services that have passed HIPAA-compliant testing for the various transaction sets.

Each practice should ask each payor if it has developed a HIPAA companion document or guide that specifies coding and transaction requirements. One example might be to ask payors for billing instructions regarding coding for services that were previously billed using local codes. As a result of HIPAA requirements, local codes will be eliminated by December 31, 2003. This information also may be accessed through many payors' Web sites.

A practice also may want to investigate whether an Internet-based claims system would best suit its needs for a HIPAA-compliant product. Online claims systems such as WebMD Envoy (<http://www.webmdenvoy.com>) and MedUnite (<http://www.medunite.com>) offer "real-time" Internet-based services for HIPAA transactions. Both of these systems provide lists of payors that accept claims filed through their systems.

The road to HIPAA compliance is long and calls for great attention to detail. But once all the components are in place, a practice will be able to more easily verify patient eligibility for specific health plans, coordinate payment of benefits covered by supplemental insurers, submit claims for payment, track the process of reimbursement, and receive electronic payment for services. □

ACS guidance on HIPAA issues is based on information contained in the "Small Practice Implementation Guide," version 2.0 (<http://www.wedi.org/snip/public/articles/200211012.0final.pdf>), © 2002, The Workgroup on Electronic Data Interchange.