

In compliance...

...with HIPAA rules

by the Division of Advocacy and Health Policy

This month, we offer a strategy for determining whether your software vendors will be able to provide coding and claims processing products that comply with the Health Insurance Portability and Accountability Act (HIPAA). If your vendors cannot comply, you should find new distributors.

In the October 2001 issue of the *Bulletin*, we provided a quick implementation guide for health care transactions, which can be viewed on the ACS Web site at <http://www.facs.org/dept/hpa/pubs/whatsurg1001.pdf>. Hopefully, your practice has begun discussions with your practice management vendors or claims clearinghouse to ensure that the products they supply to you are HIPAA-compliant. Following are some questions that practices should raise during these conversations.

Questions to ask

- When will the software have the capability of exchanging HIPAA-compliant versions of electronic transactions (patient eligibility, claims for encounters, claim status, and remittance and payment advice)?
- When will the software support the required code sets (CPT, ICD-9-CM, and HCPCS drug codes)?
- Has the software database been modified to allow entry and storage of all required data elements used to build the HIPAA transactions?
- Will the software let your practice conduct these transactions directly with payors, or do they have to go through an intermediary, such as a clearinghouse?
- Has the software received certification that it can, in fact, generate HIPAA-compliant transactions? If so, which organization (EHNAC, Claredi, Foresight Corporation, and so on) certified the software?
- How can your practice use the software to test the new transaction formats with your major payors? When will the software be available to your practice?

- Will the practice be able to continue processing claims in existing electronic formats while new formats are being tested?

- How will the software accommodate the anticipated national provider identifier and the national payor identifiers? If the federal government proceeds with the development of a patient identifier, how will the software accommodate it?

- What are the vendor's contingency plans if it cannot deliver the necessary modifications on time?

- Does the vendor assist with disaster recovery and/or emergency operations by providing alternative files and eligibility lists, accounting for disclosures, and so forth?

Your practice also needs to ask the vendor whether the changes will be made as part of a maintenance contract or whether there will be additional cost to you. We strongly encourage you to get the answer in writing.

Deadline approaching

Your practice must be compliant with the transactions regulation on October 16, 2002. If your practice will not be ready by that date, you must file for a one-year extension. You may file online at <http://www.cms.hhs.gov/hipaa/hipaa2/default.asp> or download the form and file your plan on paper. The benefit of submitting the plan online is that you will receive a confirmation number, which will serve as acknowledgment of your extension. The Center for Medicare & Medicaid Services (CMS) will not acknowledge receipt of paper submissions. Compliance plans must be submitted electronically by October 15, 2002. Paper submissions should be sent to CMS and must be postmarked no later than October 15, 2002.

Privacy officers should bear in mind that state laws governing the confidentiality of medical records may be preempted by the federal HIPAA privacy regulations. Any policies developed for

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2003 Oweida Scholarship available

The ACS Board of Governors announces the availability of a scholarship for young rural surgeons, the 2003 Nizar N. Oweida, MD, FACS, Scholarship of the American College of Surgeons.

Purpose

The Oweida Scholarship provides an award of \$5,000 to subsidize the participation of a young, rural-based Fellow or Associate Fellow in attendance at the annual Clinical Congress.

Basic requirements

The Oweida Scholarship is available to a member of the American College of Surgeons in any of the surgical specialties who meets the following requirements:

1. Serves a rural community in the U.S. or Canada.
2. Is a Fellow or Associate Fellow in good standing.
3. Is under 45 years of age on the date the application is filed.

Activities

The scholar will attend the annual Clinical Congress of the American College of Surgeons, which will be held in Chicago, IL, October 19-24, 2003. He or she will also attend the annual scholarship luncheon on Sunday, October 19, to meet the members of the Scholarships Committee and awardees from other programs, and to receive his or her check.

Financial support

The successful applicant will receive the sum of \$5,000 (U.S.). This amount is to be used to help defray travel expenses for the Clinical Congress,

postgraduate course fees, hotel costs, and per diem during the Clinical Congress. Preferential housing in a thrifty hotel near the Congress site will be made available to the scholar. The scholar will make his or her own travel arrangements.

The Executive Committee of the Board of Governors will select the scholar after review and evaluation of the applications.

Applications for this fellowship consist of the following items:


1. One original and eight copies of the applicant's current curriculum vitae.
2. One original and eight copies of a one-page essay, discussing the following specific items:
 - Why the applicant wishes to receive the Oweida Scholarship.
 - Why the applicant feels he or she is qualified to receive the scholarship.
 - Why the applicant characterizes his or her practice as rural.

The closing date for receipt of completed applications is December 15, 2002. A scholar and an alternate will be selected, and all applicants will be notified of the outcome of the selection process, by March 31, 2003.

The Oweida scholar must attend the full week of the Clinical Congress in the year for which it is designated; attendance cannot be postponed. The Oweida scholar will provide a brief report on his or her experiences at the Clinical Congress for possible future publication in the *Bulletin*. A simple accounting for the award is required as well. These items are due by December 31, 2003.

Questions may be directed to Kate Early, ACS Scholarships Administrator, at tel. 312/202-5281. Requirements for the Oweida Scholarship are also posted on the College's Web site, www.facs.org.

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your practice must address the requirements of both the federal and state law. Privacy officers should be familiar with their state laws. 

Next month: The self-assessment guide.

ACS guidance on HIPAA issues is based on information contained in the "Small Practice Implementation Guide" (<http://snip.wedi.org/public/articles/indexcfm?cat=17>), © 2001, The Workgroup on Electronic Data Interchange.