



Strategic National Implementation Process

Key Implementation Issues from the Provider Perspective

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Key Implementation Issue #1:

The number one implementation issue for providers is simply:

Why should we implement???



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Why Comply with HIPAA?

- ◆ Reduce staff in business office
- ◆ Reduce IT support
- ◆ Reduction in bad debt (AR)
- ◆ Better coordination of benefits
- ◆ Standard set security/privacy policies and procedures
- ◆ Potential for reduced clearinghouse fees
- ◆ Improved patient satisfaction
- ◆ Practices should save many thousands per FTE physician



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Eligibility Request / Response: 270 / 271

◆ Plan benefits and co-pay amounts Certainty

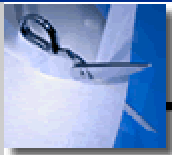
- According to one study, 30-40% of all claims rejected due to incorrect or missing member id's--and half of these are never resubmitted
- CMA estimates 30 minute average call time for eligibility information
- Real-time, online inquiries will save time and money



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Referral and Authorization Request: 278

- ◆ **Reduction of processing time**
- ◆ **Timely knowledge of coverage of care**
 - CMA estimates manual referrals cost \$20 (specialists) \$40 (primary care)
 - New standard will automate most of the referral transactions and referring provider information exchange
 - Reduced referral errors and payer rejects



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Claim Status Inquiry / Response: 276 / 277

- ◆ **Significant time savings anticipated**
- ◆ **Reduction in duplicate claim filing**
 - Automate claims posting and reconciliation functions
 - Claim now transparent



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Other Key Provision to Implement:

- ◆ Electronic Claim Attachments
 - Reduced hassle factor
 - Faster payment



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Key Implementation Issue #2:

Applying for the Extension

- How will providers be made aware of the process?
- What information will the feds require?
- Paper extension form as well as electronic?
- Will this be the “kickstart” that Congress anticipated?



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Key Implementation Issue #3:

Logistics of the National Provider Identifier

- How will providers get this new number?
- What information will the feds require for the NPS?
- How will we update provider information?
- Who will have access to the NPS?



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Key Implementation Issue #4:

What will my Implementation Costs Be?

- How can providers estimate the costs?
- Transactions--software/PMS costs?
- Privacy/security-rumors of tremendous costs
- Providers being taken advantage of?



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Key Implementation Issue #5:

Consultants and lawyers tell me I'm going to Jail!!

- ◆ Privacy final rule, Security proposed rule are daunting to providers--it is clear that NO ORGANIZATION will be in full compliance
- ◆ Understanding this--how can we mitigate the likelihood of liability?
 - Indications are that the rules are being modified
 - Adopt best practices (“flexible” and “scalable”)
 - Avoid being an outlier
 - Common sense approach to compliance



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Key Implementation Issue #6:

How will the Government Enforce HIPAA?

- ◆ Transaction standards--should providers be worried?
- ◆ Will the government be looking for “examples”?
- ◆ Providers concerned about frivolous lawsuits



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Key Implementation Issue #7:

How do I migrate to the new transactions standards?

- Identify transactions that must or could be migrated
- Evaluate use of Health Care Clearinghouses
- Inventory all systems that send or receive transactions
- Develop a systematic and practical approach to EDI compliance for your organization



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Key Implementation Issue #7:

Migrating to the new standards? (con't)

- Ask the tough questions and assess your current situation:
 - Do we have adequate hardware and EDI Infrastructure?
 - Do we have translation capabilities?
 - If no, what are our sourcing options?
 - If yes, levels of efficiency / redundancy?



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Key Implementation Issue #8:

How can medical practices deal with their vendors and health plans?

- ◆ Ask the tough questions...in writing!
 - When will you be ready to upgrade my system?
 - Will I require any new hardware?
 - Will you send me a schedule of upgrades and testing?
 - Can I upgrade incrementally?
 - What are the expected costs?



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Key Implementation Issue #9:

“Does a CMS 1500 or CMS 1450 paper claim form contain all the necessary and required data needed to create a HIPAA compliant, version 4010 837 Claim?”



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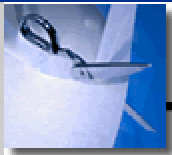
The CMS 1500 & 1450 paper claim forms

- Contains a subset of data that is present in the 837 transaction
- Contains some data that is NOT present in the 837 transaction
- It is a paper form that can be turned into an electronic print image



Gap Analysis – The solutions

- ◆ Solutions/Workarounds –
 - Precise implementation guides
 - Industry-wide accepted crosswalks
 - Trading Partner Agreements
 - Data enrichment



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Key Implementation Issue #10:

New Rights for Patients

- ◆ Their right to know what the law is
- ◆ Their right to know what YOUR privacy practices are
- ◆ Their right to know who has seen their record
- ◆ Their right to inspect/copy/amend their record
- ◆ Their right to appeal your decision NOT to amend their record



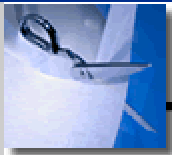
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Key Implementation Issue #11:

Moving Physicians Forward Toward HIPAA

- Physician “buy in” critical to success of HIPAA--make them aware of the potential for streamlining their practice
- Transition period most difficult
- Changing the “mindset”
 - Getting providers to expect electronic data interchange
 - New identification systems
 - Protecting the data
 - Merging “science” with the “art” of medicine



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Key Implementation Issue #11:

Moving Physicians Forward (con't)

- Obtain executive (physician) commitment
 - Review future budgets (include start-up money)
 - Review the strategic organizational plan
- ◆ Physicians must understand that HIPAA is not optional



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Key Implementation Issue #12:

Getting started: are there any “EASY” first steps?

- ◆ Assign one responsible individual to lead compliance efforts
- ◆ Create a steering committee
- ◆ Establish a process for assessing the ability of your current systems to meet the new requirements



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Key Implementation Issue #12:

“EASY” first steps? (con’t)

- ◆ Intensify personal understanding of HIPAA
- ◆ Cooperate with other physician practices in developing best practices that are “reasonable”
- ◆ Learn and adopt consensus best practices to avoid being outside the norm



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Key Implementation Issue #12:

“EASY” first steps? (con’t)

- ◆ Establish a plan for training all personnel on transaction standards/security/privacy
- ◆ Communicate with your vendors and health plans
- ◆ “HIPAAatize” your entire staff
 - compile results
 - address gaps



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(Future) Implementation Issue #13:

HIPAA's Impact on Electronic Medical Records

- ◆ EMR systems rare in small/medium sized medical groups
- ◆ Costs are generally prohibitive
- ◆ Standardized data formats may lower costs
- ◆ EMRs will save money, improve patient safety
- ◆ When will it happen?



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Key Implementation Issue #14:

Implementation Resources

- ◆ Providers worried about doing the right thing
- ◆ Looking for federal govt to take leadership role (“when E.F. Hutton speaks...”)
- ◆ Looking for unbiased industry direction--who do they trust?
- ◆ WEDI SNIP fills that vacuum



Create a HIPAA “Vision”

- ◆ Business Office efficiencies and reduced debt
- ◆ Improved Patient relations
 - registration / eligibility / referrals
 - security / privacy
- ◆ Collaborative relationship with key trading partners
- ◆ Reasonable compliance with regulations
- ◆ Look toward the future (e-health)



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Questions

