

**HIPAA's administrative simplification —**

**proposed rules** *(final rules have not been published)*

Electronic Financial/  
Administrative Transaction  
Standards

May 7 and June 16, 1998

Health Care Provider  
Identifier Standards

May 7, 1998

Employer Identifier  
Standards

June 16, 1998

Security and Electronic  
Signature Standards

August 12, 1998

Privacy of Indentifiable Health  
Information Standards

November 3, 1999

Health Claim Attachment  
Standards

Not yet published

Health Plan Identifier  
Standards

Not yet published

Individual Identifiers

Not yet published

*Don't miss the all day IHA  
conference on HIPAA cosponsored  
by IMS/IMGMA/HFMA  
June 21 at the Scheman Center, Iowa  
State University, Ames*

Fees for IMS members \$89,  
(\$79 for 2 or more)  
Non-members \$189

*Registration brochures to be mailed or  
contact the IMS at (800) 747-3070.*



*Jeanine Freeman is vice  
president of public policy  
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in this column is not  
intended to be legal advice.  
Call your attorney with  
specific concerns.*

legalities

# HIPAA is on its way... Be on the **WATCH**

Watch out! More cumbersome rules are on the way for physicians.

by Jeanine Freeman, JD

**T**he Health Insurance Portability and Accountability Act of 1996 (HIPAA) is a huge piece of federal legislation with far-reaching implications for physician practices.

HIPAA's goal is to enhance efficiency in health claims processing through use of electronic transmissions, standard formats and unique identifiers. Security and privacy rules are mandated to protect against confidentiality rules.

Physician compliance will require review of and change to computer hardware and software; forms; office policies and practices; third party contracts and agreements;

and personnel policies and training. IMS is developing materials and programs to assist its member physicians.

HIPAA's security regulations propose administrative procedures, physical safeguards and security measures to protect against interception of health data and access to stored health care information. In addition, electronic signatures must meet cryptographically based digital signature standards.

HIPAA's privacy rules apply to "protected health information" maintained or transmitted electronically even after that information is transferred to paper form. In addition, physicians must obtain reasonable assurances from their "business partners" (i.e., auditors, attorneys, billing firms, consultants) that they will comply with the HIPAA rules.

Use or disclosure of protected health information except as authorized by the

rule is prohibited. Protected health information may be disclosed for treatment, payment, or health care operations (i.e., quality assurance, physician credentialing) purposes without patient authorization. Only necessary information may be released, and specific authorization is needed to release psychotherapy notes. In addition, physicians must prepare and provide to their patients notice of information policies and practices.

HHS can impose a fine of \$100 for each violation of its HIPAA requirements with an aggregate of \$25,000 imposed in any one year against any one entity. Criminal sanctions of up to \$50,000 or imprisonment for one year may be imposed for wrongful disclosure of health information or use of an unique identifier.

Final rules are months away. Health providers must be in compliance within 24 months of the effective date.