

HIPAA — TRANSACTIONS READINESS AND OTHER HIPAA NEWS

By Jeanine Freeman

IMS HIPAA Transactions Transition Telephone

Conference Seminar on October 1 from noon - 1:30 pm.

Get up-to-date information from Medicare, Medicaid, Wellmark, Principal, John Deere, Coventry, McKesson & WebMD

on transaction preparedness and troubleshooting.

Jim Morman, Vice President/Chief Information Officer with Iowa Health Systems, will address physician perspectives.

Registration is on a per site basis. Go to www.iowamedical.org or contact IMS at (800) 747-3070 for registration information.

Document your attendance.



Jeanine Freeman is Vice President of Legal Affairs for the Iowa Medical Society.

By the time you read this article, the October 16 compliance deadline for electronic transmission of HIPAA compliant transactions will be very near. This article is a potpourri of information on that and other HIPAA-related issues.

CMS on HIPAA transaction preparedness and contingency planning.

In its July 24 enforcement advisory, CMS said that by law it could not relax the October 16 HIPAA transactions and code set requirements but clarified that it will take a voluntary compliance approach and will investigate upon complaint, in which case it will consider good faith compliance efforts and seek cure within a defined period. CMS "will not impose penalties on covered entities that deploy contingencies (in order to ensure the smooth flow of payments) if they have made reasonable and diligent efforts to become compliant." CMS reportedly will issue another advisory by the end of September to clarify whether health plans may operate their current claims ("legacy") systems along with the HIPAA compliant system after October 16 to avoid claims processing problems.

Going into October 16, medical practices or their vendors should have completed transactions testing; should know of health plan implementation guides; and should be aware of contingency plans that major payers may have. Carefully monitor all claims submissions, particularly those claims that hit up against a health plan's 90-days claims submission requirement. Document all efforts made by your practice to be HIPAA compliant and to address problems as they arise. Sign up for the IMS October 1 teleconference to get the latest word on transaction readiness in Iowa (see box).

Medicare — ONLY electronic claims after October 16 with exception for small providers. Physician practices with less than 10 full time equivalent (FTE) employees fall within

the exception. CMS has yet to provide guidance on how to define and calculate a FTE. IMS has asked for clarification. Until then, practices need to make and document their reasonable determination of their FTE count. Ordinarily independent contractors would not be considered "employees" nor would physician owners. FTEs (full and part time employees) generally are calculated on a 2080 hours per year or a 40 hours per week basis. Medical practices meeting the exception need not seek a waiver and can continue to file by paper but may be audited by CMS. If your practice does not meet the exception and now must submit electronically to Medicare, billing software is available for a small charge; go to www.cms.hhs.gov/providers/edi or contact Noridian. Bear in mind, if your practice has never submitted an electronic claim before and you do so with Medicare beginning October 16, you become a HIPAA covered entity subject to the HIPAA Privacy, Transaction, Security, and Identifier standards.

Medical record fees under HIPAA/Proposed BME Rule. IMS member practices have reported that attorneys are claiming that their charges for medical records are in violation of HIPAA. The HIPAA Privacy Rule sets a standard for charges assessed the individual subject of PHI or the individual's personal representative but does not address charges assessed others. However, be aware that the BME is proposing a medical record fee schedule that parallels the fee schedule now in place for worker compensation cases in Iowa. IMS opposes this BME rule.

Iowa State Bar Association HIPAA compliant authorization form will be revised to reflect a technicality in Iowa law regarding release of mental health information. IMS will link to the new form when available. The ISBA authorization form is for use by attorneys seeking PHI from physician offices.