



Imagine! HIPAA Training

This training will give you an overview of the Health Insurance Portability and Accountability Act (HIPAA) and its impact on our work at Imagine!

Please read this handout, review the HIPAA video, and also read Imagine!'s HIPAA Policies and Procedures and Notice of Privacy Practices. This information is to be completed by April 13, 2003, or within one month of hire. Also discuss with your supervisor the implications for your specific job.

The following is offered as an overview of the HIPAA regulation and more specifically, the privacy standard, which will come into effect April 14, 2003.

What is HIPAA?

Health Insurance Portability and Accountability Act of 1996 (August 21), Public Law 104-191, which amends the Internal Revenue Service Code of 1986. Also known as the Kennedy-Kasselbaum Bill. The administrative simplification section of this has four parts:

1. Electronic health transaction standards
2. Unique identifiers
3. Security and electronic signature standards
4. Privacy and confidentiality standards (which we will focus on today)

Purpose of HIPAA:

- Improve portability and continuity of health insurance coverage in the group and individual markets
- To combat waste, fraud, and abuse in health insurance and health care delivery
- To promote the use of medical savings accounts
- To improve access to long-term care services and coverage
- To simplify the administration of health insurance

Who must comply?

- *Health Plans*
Includes group health plans, HMOs, Part A or Part B of the Medicare program, CHAMPUS, the MEDICAID program, and more.

- *Health Care Clearinghouse*

A public or private entity that processes or facilitates the processing of nonstandard data elements of health information into standard data elements, and includes such entities as billing services and community health management information systems.

- *Health Care Provider*

Includes any person or organization that furnishes, bills or is paid for health care in the normal course of business, and transmits any health information in electronic form in connection with a transaction covered by HIPAA.

Why does Imagine! need to comply?

Imagine! is a Covered Entity, or C.E, which must adhere to HIPAA regulations. Imagine! meets the definition of a Health Care Provider because we transmit our Medicaid billing information electronically using the CCMS system provided by the state; care, services, or supplies related to the health of an individual is considered to be health care. In addition, Imagine! is designated as a business associate by the state and therefore must meet HIPAA requirements.

All persons receiving services from Imagine! have received the Notice of Privacy Practices.

The remaining information refers to the Privacy Portion of HIPAA.

Purpose of Privacy Regulations:

- Gives consumers/their guardians more control over their health information.
- Sets boundaries on the use and disclosure of health records.
- Establishes appropriate safeguards health care providers and others must achieve to protect privacy of consumer information.
- Holds health care providers accountable with civil and criminal penalties if they violate consumers' privacy rights.

Objectives of Privacy Regulations:

- To ensure each covered health care component protects the health information it maintains.
- To ensure a consumer's health information is not used inappropriately.
- To ensure the minimum amount of information is used or disclosed whenever possible.
- To ensure consumers/their guardians have more control over when and how their personal health information is used.

What does it impact?

- PROTECTED HEALTH INFORMATION (PHI)

Individually identifiable health information transmitted or maintained by a covered entity regardless of form, (written, verbal, electronic communication). Transmission in electronic form is generally defined to include transmission via the Internet, Intranets, leased-lines, dial-up lines, private networks and fax/computer interface; it also includes the physical movement of data on diskette, CD, magnetic tape, etc.

Individually identifiable health information is information that is a subset of health information, including demographic information collected from an individual, and:

1. Is created or received by a health care provider, health plan, employer, or health care clearinghouse, and
2. Relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and
3. That identifies the individual; or
4. With respect to which there is a reasonable basis to believe the information can be used to

identify the individual.

Rules concerning the use & release of PHI:

General rule: A covered entity may use or release PHI only as permitted by HIPAA, or by more protective State regulations governing the confidentiality.

What is permitted to release:

In general, a covered entity (C.E.) may use PHI for treatment, payment and healthcare operations (TPO) without any special permission from the consumer.

A C.E. may disclose PHI without consumer permission:

- to the individual
- for its own TPO
- for the treatment activities of another health care or service provider
- to another C.E. for its health care operations, if conditions are met
- to another C.E. or health care provider for the payment activities of the entity that receives the information
- to another C.E. in the same organized health care arrangement (OHCA) for health care operations of the OHCA.

Clarification of treatment, payment and healthcare operations:

- Definition of “Treatment”
- The provision, coordination, or management of health care and related services by one or more health care providers including:
 - the coordination or management of health care by a health care provider with a third party
 - consultation between health care providers relating to a consumer
 - the referral of a consumer for health care from one health care provider to another
- Definition of “Payment”
- The activities undertaken by:
 - A health plan to obtain premiums or to determine or fulfill its responsibility for coverage and provision of benefits under the health plan
 - A covered health care provider or health plan to obtain or provide reimbursement for the provision of health care
- Definition of “Healthcare Operations”
- Carrying out the following activities of the covered entity to the extent that the activities are related to covered functions and activities of an organized health care arrangement in which the covered entity participates:
 - QA Activities
 - Qualifications of health care professionals
 - Underwriting and premium rating
 - Medical review, legal services and auditing functions
 - Business planning and development
 - Business management and general administrative activities (i.e., customer service)

Accounting for releases of PHI:

Prior to HIPAA, current practice usually tracked release of information through logs maintained

in the Case Management Records Room. Under HIPAA, Imagine! is required to track certain disclosures of protected health information. Tracking information must be maintained for at least six years. Because of this, when an employee of Imagine! releases the PHI of a consumer to certain outside entities, they must report this release to the in accordance with Imagine! HIPAA procedures.

Releases permitted by HIPAA for which authorization is not required and must be reported:

- for public health activities
- about victims of mistreatment, abuse, neglect or exploitation
- for health oversight activities
- for judicial and administrative proceedings
- for law enforcement purposes evolving crimes or other emergencies
- about decedents
- for cadaveric organ, eye or tissue donation purposes
- to avert a serious threat to health or safety
- for worker's compensation
- court order, subpoena or discovery request

Releases permitted by HIPAA for which authorization is not required and do not need to be reported:

- for TPO
- directly to the consumer/authorized guardian
- incidental disclosures
- individuals involved in the consumers care (family, friends)
- releases for national security purposes, protection of the president

Incidental Use & Disclosure:

Incidental use and disclosure is permitted under HIPAA if the C.E. :

- takes reasonable steps to limit incidental disclosures by establishing reasonable safeguards
- complied with the "minimum necessary" requirement of HIPAA.

Privacy rule sanctions:

- Civil penalties (non-criminal) - \$100.00 per incident; \$25,000 per year
- Criminal Penalties
- 1 to 10 years prison time
- \$50,000 - \$250,000 in fines
- Significant penalties for non-compliance
- Enforcement by Office for Civil Rights

More Information for Imagine! Employees

Existing Confidentiality procedures and training still apply to Imagine! work activities.

The most stringent rule will take precedence. Employees can maintain the confidentiality of PHI by ensuring such information is not posted or left lying in work areas. Also make sure that computer screens containing PHI are not visible in public areas. As always, personal identifying information should not be revealed in public, except as appropriate for the supports being

provided.

Evidence of HIPPA compliance for Imagine!'s role as an employer is due in April 2004. Rest assured that our practices already include maintaining separate secure files for all required employee health information. Only Human Resources and Payroll personnel have ready access to this information as necessary for job performance. Employees may request copies of any health records on file with 24-hour notice.

To further comply with upcoming HIPAA regulations we have been advised to refer all employees with health insurance claim issues directly to our carrier's customer service or our insurance broker.