



NDC**HEALTH**[™]

HIPAA

*A Continuous Journey Within the
Medical Office*

Together we're better.



What is HIPAA & it's Importance

- Health Insurance Portability and Accountability Act
- August 21, 1996: Passed by Congress and signed into Law by Bill Clinton
- Two Titles to Law
 - Title 1: Health Insurance Reform
 - Protects health insurance coverage when employees change or lose jobs
 - Title 2: Administrative Simplification
 - Sets standards for submitting health information electronically; maintains privacy and security of health information
- Compliance is required; otherwise physician offices are breaking the law



Why Comply?



WSJ - April 28, 2004

Health-Care Industry Struggles With Keeping Patient Data Secure

...many organizations are woefully unprepared to safeguard the confidentiality of patient data and stop it from being leaked or stolen.



St. Petersburg Times, May 2, 2003

...the president of Hospice Patients Alliance, filed a complaint alleging that the medical records of patients treated at Hospice of the Florida Suncoast were publicly distributed in software marketed by the hospice's for-profit subsidiary, Hospice Systems, Inc.



Who's Enforcing Compliance?

- Office of Civil Rights (OCR)
 - According to OCR testimony, about 2000 complaints have been filed, of which approximately one third have been resolved and closed.
 - Complaints and Current Enforcement Actions
 - inappropriate uses or disclosures (30%); inadequate safeguards (25%); inability to exercise rights of access (20%); absence of or ineffective notice (15%); incidental disclosures (i.e. oral communications)(10%); and inappropriate authorizations (5%).
 - HIPAA infractions subject to fines from \$100-\$25,000 per year for any given incident; misdemeanors to felonies
 - Knowing violation punishable with up to 1 year in prison or \$50k fine
 - False pretenses violation is a felony and can yield 5 years in prison or \$100k fine
 - Personal gain violations is a felony and can yield 10 year prison sentence or \$250k fine



Is NDCHealth Practice Management Software “HIPAA Compliant?”

- “HIPAA-compliant” software does not exist
- Software is HIPAA-ready
 - Software designed to ensure, through proper software use coupled with well-designed office procedures to help medical practices achieve HIPAA compliance
- HIPAA-compliance:
 - is all about process and operations in a physician's office
 - is a continuous journey, not a one-time achievement
 - is a marathon, not a quick sprint to a finish line



Current HIPAA Standards

- Privacy
 - Protect PHI (written, oral or electronic format);
 - Compliance Deadline: April 14, 2003
- Transaction and Code Sets
 - Requires use of standard, specific electronic transaction formats developed by ANSI
 - Compliance Deadline: October 16, 2003



Current HIPAA Standards cont.

- National Employer Identifier
 - Unique identifiers for healthcare providers, health plans, employers and patients to increase the efficiency of electronic transactions
 - Compliance Deadline: July 31, 2004
- Security
 - Safeguards for physical storage, maintenance, transmission and access to individual health information
 - Similar to the Privacy standard, but pertaining specifically to electronic information
 - Compliance Deadline: April 25, 2005



Should Medical Practices Care?

- Yes!
- Specifically those who:
 - see HIPAA compliance as a prudent business move
 - consistently conduct, use best practices
 - see compliance as a patient care and service differentiator
 - are image and community conscious
 - realize the risk is real



Impact of Non-Compliance

| HIPAA Standard | Impact of Non-Compliance |
|--|--|
| <p>Privacy e.g., known violation of sharing of Protected Health Information (PHI)</p> | <p>Fines and Possible Jail time Physicians and/or office staff</p> |
| <p>Transaction and Code Set e.g., submitting NSF claims</p> | <p>Revenue Impact (\$) Payment floor 27 days as opposed to 13 days</p> |
| <p>Employer Health Identifier e.g., exclusion of required fields</p> | <p>Revenue Impact (\$) Possible denial of claims</p> |
| <p>Security e.g., no password on system</p> | <p>Fines and Possible Jail time Physicians and/or office staff</p> |



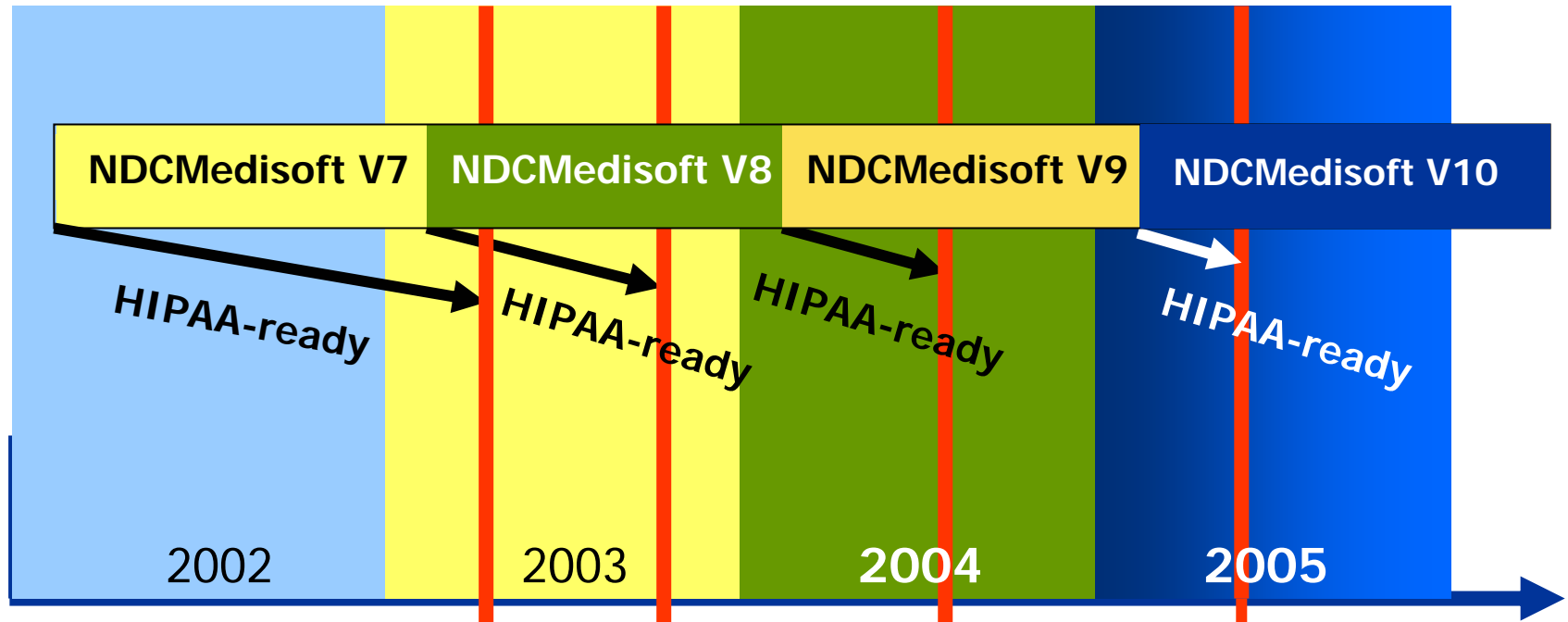
What Kind of Help is Available?

- Medical associations
 - General information, but little guidance
- Consultants/Attorneys
 - Pricy and may not have medical office workflow expertise
- **NDCMedisoft:**
 - HIPAA-ready practice management software
- HIPAA Rx™ Compliance Toolkit
 - Automates the compliance process



NDCmedisoft™

HIPAA-ready software
ahead of emerging
HIPAA standards



A continuous
journey

NDCHEALTH

Together we're better.



NDCMedisoft: HIPAA Readiness

through changing regulation

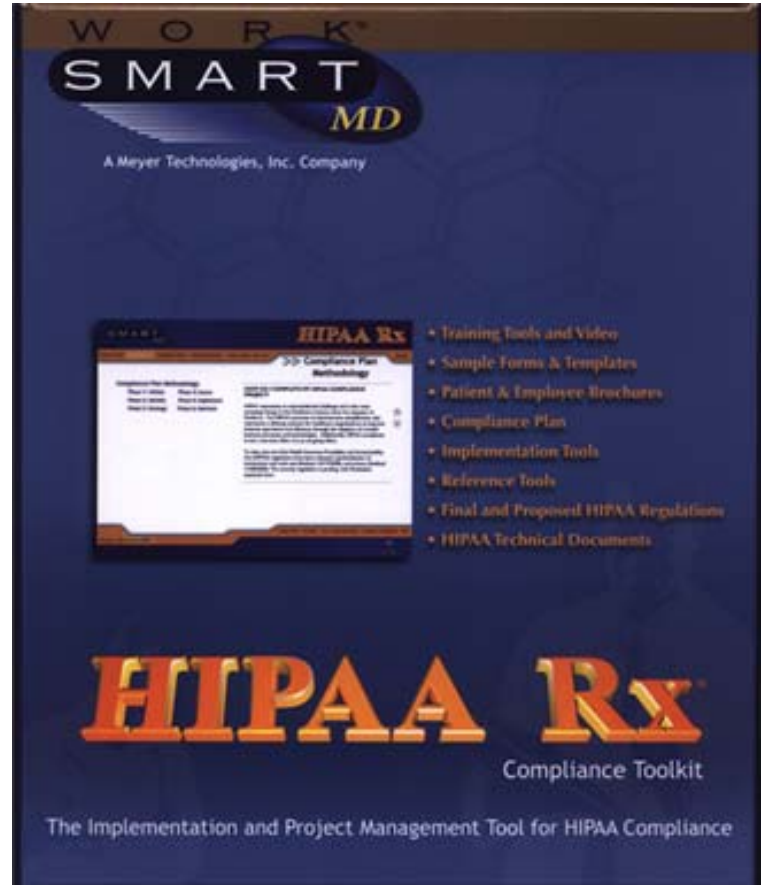
| HIPAA STANDARD | NDCMedisoft | Features Introduced |
|---|---|---|
| PRIVACY <i>April 14, 2003</i> | Version 7 - Jan. 2002 Version 8 – March 2003 | Auto log-off; Audit Log tracking |
| TRANSACTION & CODE SET Oct. 15, 2003* <i>July 6, 2004</i> | Version 8 – March 2003 | Warning of “unapproved” HIPAA codes; ANSI fields added to database |
| NATIONAL EMPLOYER IDENTIFIER <i>July 31, 2004</i> | Version 8 – March 2003 | New fields added to database to meet ANSI standards |
| SECURITY <i>April 25, 2005</i> | Version 10 - <i>Expected Jan. 2005</i> | Enhanced security, auditing and reporting; Limit unauthorized access to database |

*October: Soft Deadline; New Deadline July 6, 2004



What is HIPAA Rx™?

- Interactive Software for HIPAA Privacy & Security
- Automates the compliance process
- Includes all required policies and procedures
- Extremely easy to use
- Available through NDCHealth value added resellers or NDCHealth
 - Many NDCHealth value added resellers also provide HIPAA compliance consulting services



The Future of HIPAA

- HIPAA legislation is a work in progress
- New policies and standards will continue to be implemented
- Potential future standards:
 - Standards for electronic prescription writing
 - National Standards for Electronic Medical Records
- There is no finish line for HIPAA!



Summary

- HIPAA compliance:
 - is important for all physicians
 - is a journey; a process
 - is not a sprint to a finish line or a final destination
- HIPAA-ready software enables but does not accomplish compliance
- Current and future regulation changes will require medical practices to continuously and additions can help us and our channels drive upgrades and new sales



Conclusions

- **NDCMedisoft** software enables HIPAA compliance
- HIPAA Rx compliance toolkit automates the compliance process and includes all required policies and procedures
- **NDCMedisoft**, HIPAA Rx, and implementation of required policies and procedures can help medical offices achieve HIPAA compliance

Contact your authorized NDCHealth Value-Added Reseller or NDCHealth to help your medical office achieve ongoing HIPAA compliance!

