

Health Information Compliance Alert

Administrative Simplification BUSH PROPOSES \$64 MILLION IN 2003 HIPAA FUNDING

President Bush has included more than \$64 million in his proposed budget for 2003 designed to implement activities under HIPAA's administrative simplification provisions.

According to a Feb. 18 HIMSS Advocacy Dispatch the proposed funding will be broken down as follows:

- \$9.6 million to ensure that the Centers for Medicaid & Medicare Services, as a health plan, is compliant with the final transactions and code sets (TCS) rule by October 2003;
- \$10 million to conduct testing with Medicare providers to ensure that they submit HIPAA-compliant claims;
- \$10 million to conduct outreach and education efforts with providers, states (including Medicaid programs) and other CMS partners; and
- \$34.5 million to complete the development of, and begin the operation of, a system to assign identifiers to health plans and providers.

The recent Administrative Simplification Compliance Act [which](#) granted a one-year extension for compliance with the TCS rule [which](#) authorized \$44.2 million for HIPAA activities.