

Health Information Compliance Alert

Health Information News: GOVERNORS WANT HIPAA MONEY, GUIDANCE

The **National Governors Association** isn't happy about the lack of HIPAA compliance guidance flowing from the **Department of Health and Human Services** and they're letting the feds know about it.

During its annual meeting at the end of February, the NGA adopted a policy position paper on Private Sector Health Care Reform Policy (HR-37).

"Six years after the passage of the act, [HHS] has only provided limited direction to states concerning the application of HIPAA electronic data mandates to state-administered health programs other than Medicaid," the position paper states. "The Governors believe it makes no sense for states and territories to commit to implementing changes for programs that may or may not be covered under the HIPAA law."

In the paper the NGA also asks the feds to commit more financial resources to implementing HIPAA. "HIPAA-related data changes, whether required explicitly by law or as a matter of necessity, represent one of the largest unfunded federal mandates in recent history," according to the paper.

To read the NGA's policy position paper on health care reform policy go to www.nga.org.

1. **Tight state budgets aside, state Medicaid programs need** to keep their nose to the grindstone when it comes to working toward compliance with the Health Insurance Portability and Accountability Act transaction standards.

So says the **Centers for Medicare & Medicaid Services** in a March 7 letter to state Medicaid directors. Even though states are eligible for the one-year extension for full compliance with the rule, "[i]f your HIPAA activities are stopped or severely curtailed, your agency may not even be able to meet these new compliance deadlines," CMS warns.

CMS touts the advantages of getting up to speed with the transaction standard in the letter including the expectation that standardized health care information will "greatly facilitate fraud detection."

To see the letter, go to www.hcfa.gov/medicaid/letters/smd30702.htm.

2. **A student at the University of South Dakota Medical School who threw away** psychiatric records in a gas station trashcan won't be expelled but he will be strapped with some extra patient privacy homework, the school's dean says.

While traveling in South Dakota, a reporter for the Milwaukee Journal Sentinel found the records in a trashcan at the **Minitman Food & Fuel Station** in Spearfish. The reporter turned the records over to the Associated Press. After an AP investigation, school and hospital officials determined that fourth-year med student **Daniel Lustig** had violated rules by taking the records of more than 125 patients out of the hospital and disposing of them improperly.

Among other punishments, Lustig will be required to study the patient privacy policies of the facilities where USD med students train, and make a formal recommendation as to what the school should tell med students at those facilities about patient privacy.

Lustig has "an excellent record except for this," Dr. **Robert Talley**, dean of the med school tells the Associated Press. "He'll probably be the world's most careful doctor about patient confidentiality."

3. Consumers don't trust companies to handle their personal information, says a recent online poll conducted by **Harris Interactive**. The survey of 1,529 adults found that 91 percent of those interviewed would do more business with companies if they could be confident that those businesses had independently verified privacy policies.

The poll also found that only two percent of respondents "often" share health information with businesses over the Internet, while 67 percent said they "never" share health information. Twenty-one percent "rarely" share such information and 10 percent "sometimes" share.

Respondents were especially concerned about the privacy-related conduct of businesses in the health care, telecommunications and financial services industries. Some 92 percent said it was "very important" or "important" that health care providers develop and comply with privacy policies, while 89 percent felt that way about pharmacies. Ninety-six percent felt similarly about financial services companies and 87 percent about telecommunications firms.

4. State Medicaid directors are being advised not to tarry in their compliance efforts related to the transactions and code set rule even with the one-year extension allowed under the Administrative Simplification Compliance Act.

In a March 7 letter from **Center for Medicaid & State Operations'** Director **Dennis Smith**, CMS told the Medicaid directors that "ASCA requires that your compliance plan include a timeframe for testing that begins not later than April 16, 2003. If your HIPAA activities are stopped or severely curtailed, your agency may not even be able to meet these new compliance deadlines."