

Health Information Compliance Alert

HIPAA Compliance: RURAL HOSPITALS TO DHHS: SHOW ME THE MONEY

Cash-strapped rural hospitals at wits end over funding their HIPAA compliance efforts can turn to the **Health Resources and Services Administration** for at least a measure of relief. In a June 5 Federal Register notice, the HRSA announced that applications are being accepted for grants to small rural hospitals to aid them with:

1. paying for costs related to the implementation of prospective payment systems;
2. complying with provisions of the Health Insurance Portability and Accountability Act; and
3. reducing medical errors and supporting quality improvement.

Known as the Small Rural Hospital Improvement Grant Program, the program offers about \$15 million in grants for the fiscal year 2002. All small rural hospitals in the nation defined as having 49 or fewer beds and located outside a metropolitan statistical area or in a rural census tract of a MSA are eligible, including the Territories.

Eligible hospitals should submit a brief letter of application to their State Office of Rural Health describing their need and intended use of the funds. Awards will be made to each state based on the number of applicants in that state. A list of 1,265 eligible hospitals is located at www.ruralhealth.hrsa.gov/ship.htm. If all hospitals apply and receive funding, the HRSA estimates each hospital will receive approximately \$11,000.

Funding is available for a single year but can be renewed yearly. Applications will be reviewed based on: how responsive they are to the purposes of the program; how well they describe their need and the strategies they'll implement to address such needs; and proposed use of the funds.

Applications must be received by 5pm on June 21. The notice is in the Federal Register (vol. 67, no. 108, pp 38670-71).