

Health Information Compliance Alert

HIPAA Transactions: MODEL HIPAA EXTENSION PLAN ON THE WAY

Last year's legislation offering a one-year extension for compliance with the Health Insurance Portability and Accountability Act's transaction standard also gave the **Department of Health and Human Services** the authority to exclude noncompliant providers from the Medicare program but providers wondering just how the agency plans to use that authority will have to wait until HHS establishes rulemaking on the subject.

That's according to a recent HHS frequently asked questions document addressing the transaction standard delay. In the document, HHS reiterates that the extension is not automatic: All covered entities must submit a "compliance extension plan" to qualify; those who do so won't have to comply with the rule until October 2003.

The compliance plans which need be only brief "summary" documents are due by Oct. 16, 2002. HHS promises to release a model extension plan by March 31.

The extension plans should not cause much of a headache for covered entities. They need only include a compliance budget, schedule, work plan and implementation strategy; planned use of contractors or vendors; assessment of compliance problems; and a timeframe for testing to begin by April 16 of next year.

The FAQ also points out that it's up to covered entities to determine whether their business partners have submitted extension plans. "Each covered entity should communicate directly with its own trading partners to determine which ones have submitted plans," HHS says. "This information could be included in establishing schedules for the testing activities that are to begin by April 16, 2003."