

Health Information Compliance Alert

INDUSTRY NEWS ~ Will Your Computers Be Able To Talk To Each Other?

House and Senate set to hash out fate of health IT.

Stay tuned: You could be facing a tight deadline to adapt to the ICD-10 diagnosis code system, if the **House of Representatives** gets its way.

The House passed a health information technology (HIT) bill that would require you to start using ICD-10 instead of ICD-9 by October 2010, but the Senate is likely to pass a version that doesn't include that requirement. Also, the Senate bill would require HIT systems to be "interoperable," meaning they can all talk to each other. The House version doesn't have that requirement.

Call your representative: Once the Senate passes a bill, the House and Senate will have a "conference" to hash out the differences between their bills. If you want your health records system to be able to exchange information with your local hospital's, then it's not too late to let your member of Congress know. Or if you're concerned about the rush to ICD-10, you can also make your voice heard on that issue.

In Other News...

- **Make sure your electronic system is fully HIPAA compliant.** Starting Oct. 1, CMS will transmit only HIPAA-compliant electronic remittance advice transactions to providers who are accepting the electronic transactions, Medicare contractors report.

A contingency program has been in place since the official deadline for HIPAA-compliant financial transactions passed in Oct. 2003, when CMS realized most of the healthcare industry was not going to meet the deadline. CMS ended the contingency plan for non-compliant claims last October and is following it this year with an end to its practice of sending out compliant and non-compliant remittance advices.

- **A recent survey shows what 81 percent of U.S. firms lost laptops with sensitive data** in the past year. Loss of confidential data -- including intellectual property, business documents, customer data and employee records -- is a pervasive problem among U.S. companies, according to a survey released in August by Ponemon Institute and Vontu Inc., a San Francisco-based provider of data loss prevention products.

Eighty-one percent of companies surveyed reported the loss of one or more laptops containing sensitive information during the past 12 months, according to the survey, which queried nearly 500 information security professionals.

- **As promised, President Bush signed an executive order calling on government agencies to track health care quality and costs.** But the order didn't spell out how the government will reimburse providers for the costs of providing this information.

Rather, the order asks the Department of Health and Human Services and three other agencies to collect information on the quality and costs of health care they provide.

The agencies should share that data with each other, Bush directed, according to the Washington Post. HHS and the other agencies will work with the private sector and other government agencies to develop programs to measure quality of care. They'll also try to identify practices that lead to high-quality care. In addition, the order calls for the agencies to use interoperable health records wherever possible and to compile information on the prices they pay for common services.

Bush said the order sends a message to providers: "In order to do business with the federal government, you've got to show us your prices." But doctors warned that forcing them to be transparent about prices might not work because the government and health plans set prices for doctors. The agencies must have the programs in place by Jan. 1, 2007.

- **Medicare should restrict pay for performance (P4P) to Medicare managed care plans** and leave regular fee-for-service Medicare out of the experiment for now, advises a new white paper from the conservative Cato Institute. "Given Medicare's patient population, size, and sensitivity to interest group lobbying, any harm that could result from a P4P scheme would be more likely to occur within traditional Medicare than elsewhere," writes Cato scholar **Michael Cannon**.