

Health Information Compliance Alert

News You Can Use

Electronic Transactions Require Full Compliance

Keeping up with providers' increasing readiness to submit electronic transactions, the **Centers for Medicare & Medicaid Services** ended the Health Insurance Portability and Accountability Act contingency plan. Electronic Medicare claim submissions must now comply with HIPAA standards without exception.

CMS also requires plans to meet the HIPAA Security Rule standards for electronic protected health information. Small health plans have until April 21, 2006 to comply.

Providers must apply for National Provider Identifiers, which they can begin using in standard electronic transactions upon notification from plans. Plans are required to begin using NPIs by May 23, 2007 (small health plans by May 23, 2008).

Highmark Provides HIT Funds

Highmark Inc. has created health information technology fund for provider adoption. The company has contributed \$26.5 million to The Pittsburgh Foundation to establish the Highmark eHealth Collaborative. The first step of the project is to provide funding to physicians to help reduce the initial cost of acquiring e-prescribing and electronic health record technology for their practices.

The University of Pittsburgh Medical Center will receive a total of \$8 million to support the e-prescribing aspect of its system-wide EHR implementation. Eventually, the funding will help physicians acquire and use electronic technology systems such as a personal computer, PDA, electronic tablet or digital pen to generate and transmit electronically a prescription to a pharmacy.

The collaborative will pay up to 75 percent of the cost for a physician's office to acquire, install and implement the electronic technology system--up to a maximum of \$7,000 per physician--with the physician's practice to pay the remaining balance. Highmark is drawing from a \$2 billion financial reserve to finance this initiative.

In other news:

- HHS entered into agreements with organizations that will help to promote electronic records in the Gulf Coast region, where many paper records were destroyed in the wake of Hurricane Katrina.
- The **Centers for Medicare & Medicaid Services** has only adopted two out of the 27 practices it needs to be able to invest in information technology properly, according to a new report from the Government Accountability Office (GAO-06-12). CMS spent \$2.55 billion on internal IT systems in 2005, but didn't have enough controls to ensure the money was invested wisely, the GAO complains.
- Around 67 percent of Americans are concerned about the privacy of their health information and many are unaware of their privacy rights, according to the **California HealthCare Foundation's** National Consumer Health Privacy Survey 2005. Some 66 percent of patients believe that paper files are more secure, while 58 percent believe electronic records are more secure.
- CMS adopted a final rule on electronic claims under HIPAA that was almost exactly the same as the interim final rule it issued in August 2003. The only change was that CMS renamed "unusual circumstances" to "unusual cases."

