Health Information Compliance Alert

Security Strategies: HIPAA Compliant Banks Can Save You Money

Banks performing more clearinghouse functions, say experts.

Partnering with your bank to process your practice's claims and other financial transactions can boost your practice's bottom line.

Tip: Financial transactions outside the healthcare industry are usually conducted for mere pennies. Compare that with the exorbitant rates the healthcare industry deals with and you see the allure. "Why shouldn't it be that a healthcare transmission costs pennies on the dollar instead of $15 to $20 per claims transaction?" asks **Matthew Rosenblum**, COO of **CPI Directions Inc.** in New York.

This cost efficiency is a major factor. If banks comply with HIPAA's regulations, the healthcare industry can both please their patients and improve their bottom lines. However, the future of banks and clearinghouses remains to be seen.

Disadvantage: If banks are declared exempt from HIPAA's regulations, clearinghouses could warp into banks to avoid HIPAA's rules and regulations. "It's not a farfetched notion that banks and clearinghouses will begin to merge if it's advantageous," says **Anna Slomovic,** a senior fellow at the **Electronic Privacy Information Center** (EPIC) in Washington, DC.

"That would be a logical move for [clearinghouses] under those circumstances," asserts **Debbie Larios**, a partner in the Nashville, TN office of **Miller & Martin**. Though, with all the regulation already directed toward banks, "it's more likely that they would cry foul that the banks would get undue advantage," she predicts.

As the issue is hashed out among industry regulators, providers can take steps to protect their patients' privacy via the BAA.

Problem: Most agreements require that business associates facilitate similar contracts downstream, but those sections are very truncated, Larios explains.

Solution: Go into detail and expand the language in your BAA so that business associates can understand, appreciate and abide by HIPAA's rules, Larios suggests.