



AVANTA[®]
MEDICAL INFORMATION SYSTEMS

FAX

April 08, 2003

- HIPAA STATUS REPORT -

- Privacy Rule -



The Privacy Rule implements the privacy requirements of the Administrative Simplification subtitle of the Health Insurance Portability and Accountability Act (HIPAA) of 1996. By the compliance date of April 14, 2003, covered entities must implement standards to protect and guard against the misuse of individually identifiable health information. The Privacy Rule establishes, for the first time, a foundation of Federal protections for the privacy of protected health information. The Rule does not replace any Federal, or State law that grants individuals even greater privacy protections, and covered entities are free to retain or adopt more protective policies or practices. Failure to timely implement these standards may, under certain circumstances, trigger the imposition of civil or criminal penalties. For the average health care provider or health plan, the Privacy Rule requires activities, such as:

- *Notifying patients about their privacy rights and how their information can be used.
- *Adopting and implementing privacy procedures for its practice, hospital, or plan.
- *Training employees so that they understand the privacy procedures.
- *Designating an individual to be responsible for seeing that the privacy procedures are adopted and followed.
- *Securing patient records containing individually identifiable health information so that they are not readily available to those who do not need them.

To ease the burden of complying with the new requirements, the Privacy Rule gives needed flexibility for providers and plans to create their own privacy procedures, tailored to fit their size and needs.

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This short list is for informational purposes only, and cannot take the place of the research and office specific implementation that will be necessary to be compliant with the Privacy Rule. Please review the Avanta website and links to official government websites for more information on how to make your office compliant before the fast approaching deadline.

- Transaction Rule -

The Uniform Electronic Transaction Standard is a separate section of HIPAA, which requires all health plans to accept a standard electronic data format (called ANSI 4010), and all transmissions to be submitted in this format. The Avanta system has used the ANSI format for almost a decade, well before most other practice management systems. However, the HIPAA regulations require systems to be compatible with the newest version, ANSI 4010.

The deadline for compliance was originally set for October 16, 2002. However, anticipating implementation problems on the part of NHIC/Medicare Administration, Congress allowed for a one-year compliance extension to October 16, 2003. This extension mandates that transactions testing begins by April 16, 2003.

As was anticipated, on March 10, 2003, a correction notice was published in the Federal Register for the final Modifications to Transactions and Code Sets regulation. The notice fixes some significant errors in the February 20 publication. Once the Avanta programming team received this correction, changes were made to the program, and test files have already been sent in this latest format. Once the testing process is complete, barring any more corrections to the final rule, we will release an update that includes the ANSI 4010-X096-A1 format.

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