

Preparing the Physician Office for HIPAA

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by Mary Uppena, RHIA, CPHQ

Change has been a constant factor in coding and reimbursement with the intensified focus on billing, compliance, and cost control. Out of necessity, coding professionals in physician settings have learned to be organized, adaptable, and armed with the latest information. The mandates required by Health Insurance Portability and Accountability Act of 1996 (HIPAA) may provide incentives for the physician office to become better organized and streamline processes in information management and security. This article takes a look at the progress physician offices are making toward HIPAA compliance.

The View from the Trenches

An informal survey of eight coding supervisors from large clinics in Minnesota and Wisconsin yielded an interesting look at HIPAA preparation. Three of the supervisors were either not taking any implementation steps or were not yet at a point where they wanted to talk about their activities. Conversely, three coding supervisors indicated they were actively working to educate their staff and participating on an implementation team within their organizations. Two coding supervisors referred me to another person within their facility who was in charge of the HIPAA implementation program, because they felt this specialist viewed the implementation more globally and could provide better a better look at their progress.

The five organizations that are actively working toward HIPAA [i.e. HIPAA] compliance have taken different approaches so far. These include:

- appointing a privacy officer
- appointing a gap analysis group to review the already existing practice management system in place for their corporate compliance program and to identify areas needing attention in order to meet the HIPAA regulations
- appointing corporate compliance teams to be responsible for HIPAA implementation

The remaining respondents did not have formal mechanisms in place, but affected departments were working on sections of the HIPAA regulations that directly apply in their areas.

Regardless of the processes used, all the supervisors agree that the first priority in HIPAA implementation should be a thorough review of how information is currently processed within their practices to identify areas that need to be updated. Efforts are also being made to review written policies and procedures against emerging HIPAA regulations. (Each of the coding supervisors noted that they were doing all the right things to comply with the requirements, but hadn't written formal policies and procedures yet.) This is an encouraging first step toward compliance and should provide an incentive for offices to continue efforts and formalize the process.

Because HIPAA regulations become effective two years after they are issued, many physician practices have put off preparing for their implementation in hopes the regulations won't materialize at all. In reality, those two years will be over before many clinics fully realize that the organization must comply to effectively stay in business. Some physician practices and hospitals will find that two years will not be enough time to accomplish all that is needed to be fully compliant.

Benefits of Standardization

As HIPAA preparations begin, it is important to keep in mind the overall intent of the regulations. They were developed to standardize the gathering, use, and release of electronic medical information on a national level, rather than on the individual state regulatory levels that existed before HIPAA. Payers will be required to accept a standard transaction code set, rather than mandating selected data elements that require system customization or manual processing.

One of the coding supervisors interviewed noted that the staff is looking forward to this facet of the HIPAA regulations. The supervisor anticipates that this will reduce the number of claims returned due to vague private payer edits. Standardization of

code reporting will make it much easier to manage billing systems and claims preparation in the physician office environment. Eventually all healthcare providers, including physicians, will benefit from this lengthy process through administrative simplification and projected overhead cost savings.

Coding, Compliance, and Security

The Department of Health and Human Services has released the final rule for certain transactions sets and codes, which will become effective in 2002 for large plans/providers and 2003 for smaller groups. The Health Care Financing Administration has formally adopted ICD-9-CM, CPT, and HCPCS codes and the existing systems for updating and writing guidelines for the use of these codes. Coding professionals need to be part of an organized educational system to receive training on transaction code set updates and coding system use guidelines. This piece of HIPAA readiness should already be in place as part of the compliance program.

Another consideration will be the formal adoption and implementation of ICD-10-CM and ICD-10-PCS to replace ICD-9-CM. This change will come about through HIPAA regulations yet to be issued. A conversion to a new coding, billing, or claims processing system can represent a significant investment in both time and capital expense. According to an AHA-sponsored report by First Consulting Group, complying with HIPAA privacy rules could cost more than \$22 billion.

Coding professionals should have a working knowledge of physician practice policies and procedures for access of patient information, consent, release of information, and correcting or updating patient information. They should also take a fresh look at health information storage procedures: physician offices often house patient record folders and computer terminals directly behind reception areas in full view of the public, which increases risk security problems. In some clinics, physicians are allowed to access record information from remote locations or using wireless equipment. Access to computer terminals and sensitive data held in other devices must be controlled anywhere electronic medical information is stored.

Taking the EMR into Account

For physician practices that are fully automated, correction of errors in an electronic medical record (EMR) may still be a major concern. The rule "If it's not documented, it wasn't done" can be much more difficult to apply in the electronic environment. Corrections to electronic media must be carefully evaluated at all levels to ensure data integrity. While correcting the spelling of a patient name may be fairly straightforward, major changes to a dictated report that is available in electronic format to attending or consulting physicians and billing staff can be difficult to manage. As a result, careful planning and good operational procedures are required to protect the integrity of the clinical information and assure accuracy and appropriateness in such situations.

Another facet to the EMR is electronic signatures. Thanks to legislation passed in June 2000, electronic signatures are now allowed for medical record authentication. The Electronic Signatures in Global and National Commerce Act eliminates previous barriers and allows use of current technology to authenticate legally binding documents.

Benefits Outweigh the Costs

Some experts estimate that the cost of implementing HIPAA regulations will be about three times the cost of Y2K preparation. But the benefits are expected to far outweigh the costs to achieve standardization of the many items included in the HIPAA regulations. We must recognize that uniformity is increasingly important in the gathering, use, and release of electronic medical information. So far, it seems that medical practices are each approaching this challenge in their own unique way.

Notes

1. August 17, 2000, Federal Register available at www.access.gpo.gov/su_docs/fedreg/a000817c.html.

Acknowledgment

Thanks to everyone who participated in the survey reported on in this article.

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Questions to Consider

HIM professionals at physician organizations should consider the following questions to evaluate HIPAA readiness:

- What physical security measures are taken by the practice to prevent unauthorized access to medical information?
- Who has access to electronic medical information?
- Are there different levels of security that are dependent on job descriptions?
- What level of access is available to physicians in the practice? Can they access patient clinical data where they have no doctor-patient relationship?
- Do physicians access electronic medical records from locations outside the practice?
- Are there organizational penalties for sharing computer or billing system passwords used by the practice?
- What happens to paper documents from printers after they are no longer needed? Who has access to these documents?
- Who has access to patient information when the office is closed?
- How are new physicians and staff educated about security measures?
- How much can clinic visitors learn about other patients' conditions or locations where sensitive data is located?
- What is the state of HIPAA compliance readiness for billing companies or claims processing clearinghouses the practice uses?
- Does the practice employ anyone who works from home and accesses patient information by computer modem?
- Do all computers run current versions of billing and encoding software programs?
- Are licenses for software programs up to date and appropriate for the number of users?
- Are backups done routinely and maintained in a secure area?
- Does the practice have specific policies and procedures in these areas to demonstrate HIPAA compliance?

Additional HIPAA Resources

AHIMA Web site: AHIMA's frequently asked questions (FAQ) section includes "How do I prepare for HIPAA?" as well as online training, audio seminars, Journal articles, and more. Go to www.ahima.org/faqs/index.html.

- HIPAA Web site: aspe.os.dhhs.gov/adminsimp/
- HIPAAalert: subscribe to this free electronic newsletter at www.hipaadvisory.com. The newsletter's quarterly surveys on HIPAA preparedness can be viewed in the newsletter archive. Volume 1, no. 10 (September 19, 2000) includes effective tactics to address HIPAA illiteracy, also known as "the knowledge gap."
- Workgroup for Electronic Data Interchange Web site: www.wedi.org

Article citation:

Uppena, Mary. "Preparing the Physician Office for HIPAA." *Journal of AHIMA* 72, no.2 (2001): 81-83.

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