PHYSMARK

HIPAA Challenges for Payers

Electronic Standards & Code Sets
HIPAA has prescribed both code sets and the format of electronic transactions. All payers must be ready to accept and transmit electronic transactions by October 2002. Proprietary codes cannot be used in electronic communication.

Privacy
To ensure patient privacy, access to patient data must be restricted. Patients are given the right to monitor access so payers must maintain an audit trail of all those viewing individual data. HIPAA privacy regulations come into force in April 2003.

Security
Passwords, encryption and biometric devices are some of the tools being considered to help enforce security. Regulations are still under discussion.

Uniform Identifiers
To help reduce fraud and abuse, HIPAA will also prescribe uniform and national identifiers for employers, healthplans, providers and patients. While the exact format is not known, each will require a Y2K-like effort.

Modern IT is a necessity
Without superior IT, HIPAA compliance will be prohibitively expensive.

HIPAA Appliance™

System Meets Payer HIPAA Requirements

Delivers compliance with no business disruption

HIPAA Appliance™ is a computer system with a full-function Oracle Internet Application Server and relational database designed to help HMOs, TPAs, Healthplans and state and local organizations, including Medicaid, comply with HIPAA regulations. Now payers can not only use their existing legacy systems and be compliant, they can add optional integrated features including Internet enablement, data warehousing, and rich OLAP reporting.

Benefits of HIPAA Appliance™
- Runs in parallel with legacy system
- Maintains current business operations, without disruption
- Accommodates future HIPAA requirements
- Offers web enablement and data warehousing, among other optional features
- Reduces total cost of compliance

Migration should never be a panic decision
- While desirable, system modernization is a tough, complex decision
- HIPAA Appliance™ buys time to plan for technology migration
- Gain a non-disruptive and gradual migration path from a legacy system to modern technology

Modernizing IT Is HIPAA's Hidden Benefit

Many healthcare organizations own and use old legacy systems. They must now decide how best to address HIPAA's requirements. While HIPAA's transaction standards can be met by modifying legacy software, privacy and security are much more difficult, if not impossible, to accommodate. Four fields must be changed and uniform identifiers introduced, making the effort four times as complicated than Y2K. Tweaking legacy systems is prohibitively expensive. There is a silver lining. HIPAA gives payers the opportunity to introduce leading edge software into their operations, thereby reducing overhead and significantly improving service while complying with its regulations.

HIPAA Appliance™

Supported Transactions

- Submission of health claims (837)
- Enrollment & disenrollment (834)
- Checking eligibility (270/271)
- Payment and remittance (835)
- Premium payments (820)
- Inquiring on claim status (276/277)
- Requesting and obtaining referral authorizations (278)
- Coordination of benefits
- Attachments to claims (not final)
- First report of injury (not final)

HIPAA Privacy & Security

- User defined password policies.
- Access Control that is context, role or user based
- Encryption and biometric identification (optional)
- Virtual Private Database to enforce access, according to rules, at database level.
- Comprehensive audit trails and on-demand reports using Oracle's Discoverer and other Reports

Hardware & Software

Oracle 9i, Internet Application Server and Webserver.

Sun Microsystems' servers and Solaris OS preferred by enterprise users.

Physmark Inc.

Advanced Options*

Web: Internet Inquirer, allows access of eligibility, benefits, claims and authorization via the Internet.

Analytical Tools:

- Claims repricing & reconciliation
- Comprehensive Claims Editor: Checks for "unbundled" claims.
- Healthcare Analyzer - OLAP tools & multidimensional data analysis
- Episodic Analysis: Create clinically homogeneous groups by adjusting for co-morbidities and severities.

* These options will require additional setup and transfer of data from legacy system.

Time is our enemy

Physmark has assembled a team of highly skilled professionals from nationally recognized healthcare consulting organizations to implement and install HIPAA Appliance™.

Data conversion and interface issues may be very time consuming and difficult. Interfaces must be built for data transfer. Redundant fields must be captured, linked and stored for future use. If legacy system uses proprietary code sets, then "code set cross-walks" must be built with inherent logic to reduce the one to many mapping to a unique one. Time is short.

How does it work?

Providers will submit HIPAA transactions via the Internet through a custom portal provided by HIPAA Appliance™ and it will then convert it into an ASCII format and custom programs specific to the payer used to upload into the legacy system. Any redundant data will be retained within HIPAA Appliance™'s tables with an appropriate link to the uploaded data fields. In the reverse process, data originating from a legacy system will be converted to ASCII format and the corresponding HIPAA ANSI records created and made available at the portal for download by authorized providers.

website: www.physmark.com eMail: information@physmark.com