



## **HIPAA Readiness Disclosure Statement**

Golden West Dental & Vision and its affiliates have been diligently following the evolution of the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act (HIPAA) since its inception in 1996. Our goal is to ensure our systems, supporting business processes, policies, and procedures successfully meet the implementation standards and deadlines mandated by the United States Department of Health and Human Services (DHHS).

### **HIPAA Applicability**

The HIPAA Administrative Simplification rules and regulations apply to covered entities defined to include health plans, health care clearinghouses, and health care providers who transmit any health information in any electronic form in connection with transactions covered under the rules, and who receive, maintain, or disclose individually identifiable health information in any form or medium. All covered entities must comply with the standards adopted by HIPAA by the applicable compliance dates. If a provider chooses to conduct a standard electronic transaction with a health plan, the health plan may not refuse to conduct nor can it delay such transactions. The modes of electronic transmission covered under HIPAA include the Internet, extranets, leased lines, dial-up lines, private networks, and those transmissions that are physically moved from one location to another using magnetic tape, disk, or compact disk media. Covered entities that do not comply with the HIPAA Administrative Simplification rules by the applicable dates will be subject to penalties, which are defined under the Enforcement Regulations. The Department of Health and Human Services published an interim final enforcement rule applicable to all HIPAA Administrative Simplification rules in the Federal Register on April 17, 2003.

### **HIPAA Privacy and Security Rules**

#### **◆ Privacy**

#### **Compliance Required and Achieved April 14, 2003**

Golden West Dental & Vision and its affiliates were in compliance with the provisions of the HIPAA Privacy Rule by the required date of April 14, 2003. Implementation efforts included the appointment of a Privacy Officer, development and implementation of Privacy policies and standard implementation specifications and providing initial and ongoing Privacy training to all associates by the compliance date as required by the Privacy Rule.

- Standards describe who should have access to patient information and circumstances for which patient authorization is required
  - Health Plans may use or disclose health information that is reasonably necessary for treatment, payment and health care operations
  - Most other purposes require patient authorization
- Patients are granted the right to:
  - Obtain, inspect and correct or amend their health information
  - Know how their health information is disclosed or used for purposes other than treatment, payment or health care operations, and that they have not specifically authorized
  - Request that the organization restrict their use or disclosure of protected health information, or communicate with the individual at a different address if disclosure of the information to others could endanger them
  - Receive notice about an organization's information handling and disclosure practices
- The requisite provisions of the Privacy Rule have been incorporated in the Company's Privacy Policies and Standard Implementation Specifications.

◆ **Security**

**Compliance Required April 21, 2005**

The final rule for Security Standards was published in the Federal Register on February 20, 2003 with a compliance date of April 21, 2005. Golden West Dental & Vision and its affiliates have reviewed the Security Rule and performed a gap analysis to assess the remediation efforts required to be in full compliance with the Security Rule by the April 21, 2005 compliance date.

- Four categories of safeguards are required to provide for data integrity and availability:
  - Administrative procedures: documented and formal practices to manage the selection and execution of security measures
  - Physical safeguards: protection of physical computers and equipment, locks, keys and administrative measures to control access to computer systems
  - Technical security services: processes that are put in place to protect, control and monitor information access
  - Technical security mechanisms: processes that are put in place to prevent unauthorized access to data that is transmitted over a communications network

Golden West Dental & Vision and its affiliates are currently implementing the remediation efforts that were identified by the gap analysis based on the requirements of the Security Rule. Golden West Dental & Vision and its affiliates will be in compliance with the Security Rule by the April 21, 2005 compliance date.

◆ **HIPAA Transaction Standards**

**Compliance Required and Achieved October 16, 2003**

Golden West Dental & Vision is capable of accepting and processing the electronic transaction formats mandated by HIPAA. The current transactions that are required to use the HIPAA standards under this regulation are:

| <b><u>Transaction Name</u></b>                     | <b><u>ASC X12 Transaction</u></b> | <b><u>NCPDP Transaction</u></b> |
|--|-----------------------------------|---------------------------------|
| Health Claims and Equivalent Encounter Information | 837                               | NCPDP 5.1/Batch 1.1             |
| Enrollment and Disenrollment in a Health Plan      | 834                               |                                 |
| Eligibility Inquiry/Response for a Health Plan     | 270/271                           | NCPDP 5.1/Batch 1.1             |
| Health Care Payment/Remittance Advice (EFT/ERA)    | 835                               |                                 |
| Health Plan Premium Payments                       | 820                               |                                 |
| Health Claim Status                                | 276/277                           |                                 |
| Referral Certification and Authorization           | 278                               | NCPDP 5.1                       |
| Coordination of Benefits                           | 837                               | NCPDP 5.1/Batch 1.1             |

◆ **HIPAA Code Sets**

**Compliance Required and Achieved October 16, 2003**

Under HIPAA, a “code set” is any set of codes used for encoding data elements, such as tables of terms, medical concepts, medical diagnosis codes, or medical procedure codes. Code sets for medical data are required for data elements in the administrative and financial health care transaction standards adopted under HIPAA for diagnoses, procedures, and drugs.



The following code sets have been adopted as the standard medical data code sets:

- The combination of Health Care Financing Administration Common Procedure Coding System (HCPCS), as updated and distributed by the DHHS and Current Procedural Terminology, Fourth Edition (CPT-4), as updated and distributed by the American Medical Association for physician services and other health related services.
- International Classification of Diseases, 9<sup>th</sup> Edition, Clinical Modification (ICD-9-CM), Volumes 1 and 2 (including the Official ICD-9-CM Guidelines for Coding and Reporting), as updated and distributed by the DHHS.
- International Classification of Diseases, 9<sup>th</sup> Edition, Clinical Modification (ICD-9-CM), Volume 3 Procedures (including the Official ICD-9-CM Guidelines for Coding and Reporting), as updated and distributed by the DHHS.
- Drug and Biologic Codes-National Drug Codes (NDC) are the standard medical data code sets for drugs and biologics for retail pharmacy transactions. There are no identified standard medical code sets in place for non-retail pharmacy transactions.
- Dental Procedures and Nomenclature, as updated and distributed by the American Dental Association, for dental services.

#### ♦ HIPAA Identifiers

Following are the current HIPAA identifiers:

- Employer Identification Number (EIN): The nine-digit Tax Identification Number assigned by the IRS - **Compliance required and achieved July 30, 2004.**
- National Provider Identifier (NPI): Will be a nine position numeric identifier followed by a one numeric check digit - **Compliance is required by May 23, 2007 (providers can begin applying for an NPI on May 23, 2005).**
- Health Plan Identifier (PAYERID): not yet announced but likely to be a ten-digit number assigned to health plans for the routing of electronic transactions\*

\* **Final Rule Pending**

#### Golden West Dental & Vision Industry Involvement

Golden West Dental & Vision and its affiliated companies have worked extensively with the following organizations during the HIPAA Administrative Simplification implementation process:

- WEDI (Workgroup for Electronic Data Interchange) \*
- WEDI SNIP (WEDI's Strategic National Implementation Process)
- EHNAC (Electronic Healthcare Network Accreditation Commission)
- ANSI (American National Standards Institute)
- ICE (Industry Collaboration Effort) Co-Chair
- NCPDP (National Council of Prescription Drug Programs)

#### How to Prepare for HIPAA Administrative Simplification

##### **Steps Towards Compliance:**

##### **- Understanding of how HIPAA applies to your organization**

- Basic understanding of HIPAA
- Assess if transactions and code sets comply to HIPAA requirements

- Privacy and Security
- Required training for staff

- Vendor and/or clearinghouse selection for electronic transactions
- Coordinating implementation with payers and/or clearinghouses
- Keeping abreast of new rules and regulations, and changes in the existing rules and regulations

#### **Educational Opportunities:**

- Industry Participation
- Association participation
- Provider tool kits
- HIPAA workshops
- Web site information

There is a wealth of information being published to keep the health care community informed of what is happening on the HIPAA front. The following helpful HIPAA Web sites are available for assistance with HIPAA implementation:

#### **Public Resources:**

- ASC X12N Version 4010A Transaction Implementation Guides: <http://www.wpc-edi.com/hipaa>
- Text Of Administrative Simplification Law And Regulations: <http://aspe.os.dhhs.gov/admsimp>
- Centers For Medicare and Medicaid Services: <http://www.cms.gov>
- National Uniform Claims Committee: <http://www.nucc.org>
- National Council Of Prescription Drug Programs: <http://www.ncdpd.org>
- National Council on Vital and Health Statistics: <http://aspe.os.dhhs.gov/admsimp>
- HIPAA Strategy and Project Plan: <http://www.hipaainfo.net> - See Articles Section
- WEDI Strategic National Implementation Process: <http://snip.wedi.org>

#### **HIPAA Privacy:**

- Office of Civil Rights: <http://www.hhs.gov/ocr/hipaa/>
- Boundary Information Group: <http://www.hipaainfo.net>
- HIPAA Alert: <http://www.hipaadvisory.com>
- Medical Group Management Association (MGMA): <http://www.mgma.com>

#### **Tools For Organizations:**

- HIPAAdocs Corporation: <http://www.hipaadocs.com>
- WEDI SNIP White Paper-Small Practice Implementation: <http://snip.wedi.org>
- Early View-Tool for HIPAA Self Assessments: <http://nchica.org>
- ICE HIPAA Provider Guidance Document: <http://www.iceforhealth.org/library>

#### **HIPAA Training:**

- FYI-Net.com Education: <http://www.fyi-hipaa.com>
- CMS: [http://www.eventstreams.com/cms/tm\\_001/database/register.asp](http://www.eventstreams.com/cms/tm_001/database/register.asp)
- <http://www.hipaaaudioconferences.com>
- <http://www.hipaasummit.com>
- <http://www.HIPAAColloquium.com>
- <http://www.trainforhipaa.com>
- <http://www.hcmarketplace.com>