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What Is HIPAA, and How Does It Affect You? Part II

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www.massagetoday.com/archives/2002/12/10.html.

Covered Entity Decision Tools

The Administrative Simplification standards adopted by HHS under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) apply to:

- a health care provider who conducts certain transactions in electronic form (called here a "covered health care provider");
- a health care clearinghouse; or
- a health plan.

An entity that is one or more of these types is referred to as a "covered entity" in the Administrative Simplification regulations.

Question: Is a person, business or agency a covered health care provider?

Answer: It depends on if the person, business, or agency furnishes, bills or receives payment for health care in the normal course of business.

If no, the person, business, or agency is not a covered health care provider; if yes, the person, business, or agency is a covered health care provider.

Definitions: *Health Care*

Care, services, or supplies related to the health of an individual. It includes, but is not limited to, the following:

- (1) Preventive, diagnostic, rehabilitative, maintenance, or palliative care, and counseling, service, assessment, or procedure with respect to the physical or mental condition, or functional status, of an individual or that affects the structure or function of the body; and
 - (2) Sale or dispensing of a drug, device, equipment, or other item in accordance with a prescription.
- See 45 C.F.R.160.103.

Definitions: *Covered Transactions*

Transactions for which the Secretary has adopted standards; the standards are at 45 C.F.R. Part 162. If a health care provider uses another entity (such as a clearinghouse) to conduct covered transactions in electronic form on its behalf, the health care provider is considered to be conducting the transaction in electronic form.

A transaction is a covered transaction if it meets the regulatory definition for the type of transaction. The regulatory definition for each type of covered transaction is as follows:

45 C.F.R.162.1101: Health care claims or equivalent encounter information transaction is either of the following:

- (a) A request to obtain payment, and necessary accompanying information, from a health care provider to a health plan, for health care.
- (b) If there is no direct claim, because the reimbursement contract is based on a mechanism other than charges or reimbursement rates for specific services, the transaction is the transmission of encounter information for the purpose of reporting health care.

45 C.F.R.162.1201: The eligibility for a health plan transaction is the transmission of either of the following:

- (a) An inquiry from a health care provider to a health plan, or from one health plan to another health plan, to obtain any of the following information about a benefit plan for an enrollee:

- (1) Eligibility to receive health care under the health plan.
- (2) Coverage of health care under the health plan.
- (3) Benefits associated with the benefit plan.

(b) A response from a health plan to a health care provider's (or another health plan's) inquiry described in paragraph (a) of this section.

45 C.F.R.162.1301: The referral certification and authorization transaction is any of the following transmissions:

- (a) A request for the review of health care to obtain an authorization for the health care.
- (b) A request to obtain authorization for referring an individual to another health care provider.
- (c) A response to a request described in paragraph (a) or paragraph (b) of this section.

45 C.F.R.162.1401: A health care claim status transaction is the transmission of either of the following:

- (a) An inquiry to determine the status of a health care claim.
- (b) A response about the status of a health care claim.

45 C.F.R.162.1501: The enrollment and disenrollment in a health plan transaction is the transmission of subscriber enrollment information to a health plan to establish or terminate insurance coverage.

45 C.F.R.162.1601: The health care payment and remittance advice transaction is the transmission of either of the following for health care:

(a) The transmission of any of the following from a health plan to a health care provider's financial institution:

- (1) Payment.
- (2) Information about the transfer of funds.
- (3) Payment processing information.

(b) The transmission of either of the following from a health plan to a health care provider:

- (1) Explanation of benefits.
- (2) Remittance advice.

45 C.F.R.162.1701: The health plan premium payment transaction is the transmission of any of the following from the entity that is arranging for the provision of health care or is providing health care coverage payments for an individual to a health plan:

- (a) Payment.
- (b) Information about the transfer of funds.
- (c) Detailed remittance information about individuals for whom premiums are being paid.
- (d) Payment processing information to transmit health care premium payments including any of the following:
 - (1) Payroll deductions.
 - (2) Other group premium payments.
 - (3) Associated group premium payment information.

45 C.F.R.162.1801: The coordination of benefits transaction is the transmission from any entity to a health plan for the purpose of determining the relative payment responsibilities of the health plan, of either of the following for health care:

- (a) Claims.
- (b) Payment information.

Definitions: *In Electronic Form*

Using electronic media, as that term is defined at 45 C.F.R. 162.103. It includes transmissions over the Internet (wide-open), Extranet (using Internet technology to link a business with information only accessible to collaborating parties), leased lines, dial-up lines, and private networks, and those transmissions that are physically moved from one location to another using magnetic tape, disk, or CD media.

Question: Is the program one of the listed government health plans?

Answer: If yes, the program is a health plan; if no, does the program provide, or pay the cost of, medical care? (See the definition of "medical care" below.) If no: The program is not a health plan.

Definitions: *Government-funded Health Plans*

The listed government-funded health plans are: the Medicare program under Title XVIII of the Social Security Act (Parts A, B and C) (42 U.S.C. 1395, et seq.); the Medicaid program under Title XIX of the Social Security Act (42 U.S.C. 1396, et seq.); the health care program for active military personnel (10 U.S.C. 1074, et seq.); the veterans health care program (38 U.S.C. Ch.17); the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) (10 U.S.C. 1061, et seq.); the Indian Health Service program under the Indian Health Care Improvement Act (25 U.S.C. 1601); the Federal Employees Health Benefit Program (5 U.S.C. Ch. 89); and approved state child health programs under Title XXI of the Social Security Act (42 U.S.C. 1397, et seq.) (SCHIP)

Definitions: *Medical Care*

Amounts paid for:

- (A) diagnosis, cure, mitigation, treatment or prevention of disease, or amounts paid for the purpose of affecting any structure or function of the body;
- (B) amounts paid for transportation primarily for and essential to medical care referred to in (A); and
- (C) amounts paid for insurance covering medical care referred to in (A) and (B). See 42 U.S.C. 300gg-91(a)(2).

For more information on HIPAA, contact:

Centers for Medicare & Medicaid Services (CMS)

7500 Security Boulevard
Baltimore MD 21244-1850

CMS Telephone Numbers

Toll-Free: (877) 267-2323

TTY Toll-Free: (866) 226-1819

Local: Baltimore, Md: (410) 786-3000

TTY Local: Baltimore, Md: (410) 786-0727

For specific information on the HIPAA Privacy Regulations: (866) 627-7748

Note: This is certainly not the full extent of HIPAA and the privacy rules, but it will give you some idea of what is happening in this realm. If anything I've presented in this article is unclear, do not hesitate to contact the above addresses or numbers for more clarity. I am learning about this just like you, and have been researching for the past year, trying to decipher all of the information and the constant changes that are taking place regarding these new regulations.

Click [here](#) for more information about Vivian Madison-Mahoney, LMT.



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