

# Medical Billing & Coding

Coursework 102

**HIPAA**

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## HIPAA

### HIPAA (Health Insurance Portability and Accountability Act of 1996)



Federal act that sets forth guidelines for standardizing the electronic data interchange of administrative and financial transactions, exposing fraud and abuse in government programs, and protecting the security and privacy of health information.



## HIPAA - Two Provisions

### Title I: Health Insurance Reform

- Provides continuous insurance coverage for workers and their insured dependents when they change or lose jobs
- Limits the use of preexisting condition exclusions



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- **Prohibits discrimination for past or present poor health**
- **Guarantees certain employers and individuals the right to purchase new health insurance coverage after losing a job**
- **Allows renewal of coverage regardless of an individual's health condition that is covered under the particular policy**



## Title II: Administrative Simplification

- **Focuses on the health care practice setting and is intended to reduce administrative costs and burdens**
- **Standardizing the exchange of health care data, will increase the use and efficiency of computer-to-computer methods transactions.**

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- Ensures the privacy and security of an individual's health data.
- Standardizes electronic transmissions of administrative and financial information, which will reduce the number of forms and method used in the claims processing cycle.
- Reduces the nonproductive effort that goes into processing paper or nonstandard electronic claims.



## Governing Agencies

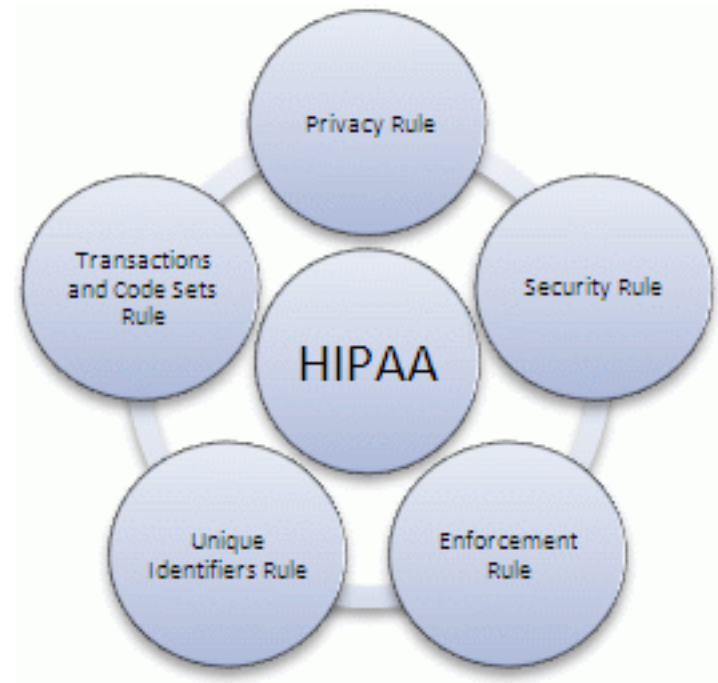
### Centers for Medicare and Medicaid Services (CMS):

- Will enforce the insurance portability and transaction code set requirements of HIPAA
- Formerly HCFA-Health Care Financing Administration



## Office of Civil Rights (OCR):

- Will enforce privacy standards.







## Office of Inspector General (OIG):

- Safeguards the health and welfare of the beneficiaries of Health and Human Services (HHS) programs
- Protects the integrity of HHS programs,
- Identifies and eliminates fraud, abuse, and waste,
- Designed “to promote efficiency and economy in departmental operations”.



## HIPAA Electronic Transaction and Code Sets Standards

These standards require every provider who does business electronically to use standard health care transactions, code sets, and identifiers.



## HIPAA Privacy Rule:

- The privacy requirements cover patients' past, present or future health information

## Protected Health Information (PHI)

The HIPAA privacy rule covers the use and disclosure of patients' protected health information (PHI). Patients' PHI under HIPAA can be used and disclosed by providers for treatment, payment and health care operations.



## Privacy Rule: Patient Rights

### Right to Notice of Privacy Practices (NPP) –

- Patients are entitled to receive the written Notice of Privacy Practices (NPP) of their provider at the first appointment, the front desk is the ideal place to distribute the NPP.



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- **The NPP outlines the individual’s rights and covered entity’s legal duties in regard to protected health information (PHI).**
- **The NPP must be provided and written in “plain language” and the staff must make a reasonable “best effort” to obtain a signature from the patient acknowledging receipt of the NPP.**

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- **There are limited situations where a practice may disclose confidential information without written authorization form the patient.**

**These are:**

- **Reporting communicable diseases to the Center for Disease Control (CDC),**
- **Reporting victims of abuse (child, spousal, elderly),**
- **Use of information for law enforcement purposes.**



## Right to access PHI

**A patient has the right to access, inspect, and obtain a copy of his or her confidential health information – a request should be made in writing, and acted on within 30 days.**

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**Under the HIPAA Privacy regulation, patients do not have the right to access the following:**

- **psychotherapy notes (varies from state to state)**
- **information compiled in reasonable anticipation of, or for use in, legal proceedings**
- **information exempted from disclosure under the clinical laboratory improvements amendment (CLIA)**





## HIPAA Security Rule

- Regulations outlining the minimum administrative, technical, and physical safeguards required to protect patients' health care information.



## **HIPAA is a law that is designed to:**

- **Protect peoples' private health information**
- **Ensure health insurance coverage for workers and their families when they change or lose their jobs**
- **Uncover fraud and abuse**
- **Create standards for electronic transmission of health care transactions**



## HIPAA RULES

**Patient medical records, progress notes, reports, and other clinical materials are legal documents that belong to the provider who created them. The provider however cannot withhold the information in the records unless providing that information would be detrimental to the patient's health. The information on the progress notes, reports, and other clinical materials belongs to the patient.**

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**The patient controls the amount of information to be released, except for the data used in treating them. Only patients have the authority to authorize the release information released to anyone that is not directly involved in their care.**





## HIPAA SAFEGUARDS:

Ensuring that confidential information is secure.

- **Administrative Safeguard – verifying the identity of an individual picking up health records.**
- **Technical Safeguard – username/password required to access pt records from computer**
- **Physical Safeguard – locked, fireproof filing cabinets for storing paper records.**



## HIPAA Privacy Officer or Privacy Official (PO)

Is responsible to train all members of its workforce, and should include:

- The practice's policies and procedures with respect to PHI as "necessary and appropriate for the members of the workforce to carry out their function within the covered entity",
- Instruct on how to handle confidential information

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- **Training and managing the staff regarding HIPAA and patient rights**
- **Protects the computer and networking systems within the practice,**
- **Implements protocols such as password assignment, back up procedures, firewalls, virus protection**

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**HIPAA created the Health Care Fraud and Abuse Control Program to uncover and prosecute fraud and abuse.**

- **Fraud is an act of deception used to take advantage of another person.** Claims fraud occurs when health care providers or others falsely report charges to payers. An example might be if a patient asked the biller to change the date of the office visit on a chart so the visit and treatment is covered by the health insurance plan.



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- **HIPAA clearly defines health care fraud as a crime. When fraud is determined, the law permits fines of up to \$10,000.00 per item or service for which fraudulent payment was received. Criminal penalties such as fines and/or imprisonment exist for knowingly planning to obtain money or property owned by health care benefit program.**



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- **Knowingly is the key word in fraud cases. It is important for physician and staff to always maintain an honest relationship with insurance carriers.**
- **To avoid accidental involvement in fraud, make sure all insurance information is true. A diagnosis or procedure code must never be added to an insurance claim if the physician has not documented the information in the patients' record (chart).**

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**In Federal law, abuse means an action that misuses money that the government has allotted, such as Medicare funds.**

- **Abuse is illegal an example of abuse might be billing for services that were not necessary. Abuse is not always intentional and could be the result of ignorance of a billing rule or inaccurate coding.**





## Guidelines for HIPAA privacy compliance:

- Reasonable safeguards are measurable solutions based on accepted standards that are implemented and periodically monitored to demonstrate that the office is in compliance.
- Reasonable efforts must be made to limit the use or disclosure of PHI.



## KEEP IN MIND...

- **Conversations occurring throughout the office could be overheard.**
- **Check to see if there are any special instructions for contacting the patient regarding scheduling or reporting test results.**

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- **Sign-in sheets are permissible, but limit the information you request – information NOT allowed on sign-in sheet:**
  - **reason for visit**
  - **showing a particular individual has an appointment**

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- **Have patients sign a form acknowledging receipt of the NPP (Notice of Privacy Practices)**
- **Formal policies for transferring and accepting outside PHI must address how your office keeps this information confidential.**
- **Computers are safeguarded to prevent unauthorized view or access to patient information.**

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- **Username and Passwords are kept confidential and are changed often.**
- **Safeguard work area – PHI is not in view of any unauthorized personnel or persons.**
- **Medical Records around practice are turned so that identifying information is not visible.**



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- **Provider's schedule should not be posted in areas viewable by non-staff members.**
- **Fax machines should not be placed in patient exam rooms or reception area where**
  - **non-staff persons may view incoming or sent documents.**