

Health Insurance & Portability Act (HIPAA)

Business Information systems and Analytics

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Health Insurance Portability and Accountability Act (HIPAA)

The Health Insurance Portability and Accountability Act (HIPAA) began on August 21st, 1996. It applies to certain entities that are covered under the act, along with business associates. The question is what sort of entities are covered under HIPAA. Entities that are covered under HIPAA are individuals that are responsible for transmitting protected information about health, for which the department of Health and Human Services adopted standards. The transactions included in these standards are transmission of healthcare claims, payment and remittance advice, healthcare status, coordination of benefits, enrollment and disenrollment, eligibility checks, healthcare electronic fund transfer, and referral certification and authorization.

The strategies for improving the organization of medical coverage turned into a vehicle to urge the Health services industry to automate patients' records. This specific piece of the Act brought forth the Health Information Technology for Economic and Clinical Health Act (HITECH) in 2009, which thus lead to the presentation of the Meaningful Use motivation program – portrayed by pioneers in the medicinal services industry as "the most imperative bit of social insurance enactment to be passed in the last 20 to 30 years".

The entities that are covered under the HIPAA Act include the following; health plans, healthcare providers and healthcare clearinghouses. The Health plans include health insurance companies, health maintenance organizations, government programs that pay for healthcare, and military and veteran health programs. Any violation or noncompliance of HIPPA entities that are covered and have signed a legal document must comply with any and all HIPAA rules, any failure

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to comply or follow directives can result in financial penalties. The maximum a person can be penalized for is \$50,000 per violation that can become a maximum of \$1.5 million.

HIPAA contains different titles or sections, which describe the overall purpose of the Act. The first Title is the Health Insurance reform which was put in place in order to protect health insurance coverage for people who have either lost their jobs or are changing from one job to another, this title also keeps group health plans from denying coverage to individuals with diseases and pre-existing conditions from getting coverage limits to their insurance plans.

The second title of the act is administrative simplification this is for the Department of Health and Human Services in order to help direct them to establish national standards for electronic healthcare transactions and how they are processed. This title is also implemented in order to help organizations implement secure electronic access to health data, to make sure they stay in compliance with privacy regulations. The third act of HIPAA consists of tax-related health provisions, which just has the guidelines for medical care when it comes to taxes.

The fourth title is on application and enforcement of group Health plan requirements, this title is used to give a deeper definition of the health insurance reform, it also includes provisions for people who have pre-existing conditions, and people who are looking for continued coverage. The fifth and final title is on revenue offsets, this includes information on company-owned life insurance, it also informs on how to treat people who lose their U.S citizenship for income tax purposes.

HIPAA has many rules and regulations, and offer many different types of coverage for many different people, and act that can seem complicated, but when looking at the big picture HIPAA really has two main purposes and that is to provide continuous health insurance for

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workers who lose or change jobs and also to remove the administrative difficulties and cost of healthcare by standardizing the electronic transmission of administrative and financial transaction.

Some other issues and goals that HIPAA addresses are fighting abuse, fraud and waste in health insurance delivery, it also focuses on improving long-term care services and health insurance. The Health Insurance Portability and Accountability Act (HIPAA) was put in place in order to safeguard medical information but also provides data in order to improve the probability health insurance coverage

Now that you know all about the purpose of the Health Insurance Portability and Accounting Act, the next item that will be discussed is the rules. There are five main rules which are: Privacy Rule, Security Rule, Transactions and Code Sets Rule, Unique Identifiers Rule and Enforcement Rule.

The Privacy Rule under (HIPAA) is all about what an individual's health information in the past, present or future can be disclosed to the certain parties. The most obvious party that may receive healthcare information is the individual who the information pertains to. Other parties that is entitled to an individual's health records is health care operations which might include hospitals, doctor's offices, clinics and law enforcement if necessary. If an organization or person other than the above is requesting information, they would have to get approval from the individual in the form of a signature.

The next rule that will be discussed is the Security Rule which entails how information should be protected as well as how to transfer it safely without the material being compromised. In today's world, almost all of an individual's information is either on the internet or the cloud on certain databases. It is imperative that only authorized individuals have access to one's

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information. Some other things that should be in place are physical or technological safeguards such as security or locked doors to protect server rooms which contains a person's information.

The Transactions and Code Sets Rule discusses the standard for when information is going to be transferred from one entity to another. (HIPAA) has come up with a great way to prevent it from being jeopardized by creating a code for many things' healthcare related for instance, causes of injury, methods to treat the injury and the equipment used to treat the injury.

The fourth rule for (HIPAA) is the Unique Identifier rule which provides accreditation for businesses, organizations and other healthcare providers. This is a great idea because if someone calls and says they are from a certain organization, however they aren't they wouldn't be able to get one's private health information without the specific number related to the certain organization.

The last rule of the Health Insurance Portability and Accountability Act is the Enforcement Rule which goes over what constitutes a violation as well as the types of penalties that can be enforced which is seen in the name of this rule. Inside of this rule is the Health Information Technology for Economic and Clinical Health (HITECH) Act. This act promotes doctors and other healthcare professionals to use electronic health records and in exchange the doctors receive financial compensation for using specific, approved systems.

In conclusion, the purpose and rules of the Health Insurance Portability and Accountability Act were established to protect an individual's medical privacy which can be a sensitive subject for some. If trusted organizations fail to protect one's privacy, it will lead to major financial compensation and possibly result in the bankruptcy of this once trusted party.

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