What is HIPAA?

HIPAA, the Health Insurance Portability and Accountability Act of 1996, is a federal law passed by Congress and is part of the Social Security Administration Act. Its primary purpose was to allow for portability of health insurance for individuals as they change employment. A portion of the legislation, known as the “Administrative Simplification Act,” was designed to standardize and increase the efficiency of electronic transactions in healthcare and to ensure the security and privacy of “individually identifiable health information.” The act also directed the Secretary of Health and Human Services (“HHS”) to adopt regulations to implement these goals.

The regulations are comprised of three parts:

- Privacy Rule
- Transaction and Code Set Standards
- Security Rule

A major goal of the Privacy Rule (compliance date 4/14/2003), is to assure that individuals’ health information is properly protected while allowing the flow of health information needed to provide and promote high quality health care and to protect the public’s health and well being. The Rule attempts to balance the important uses of information with the protection of the privacy of people who seek care and healing.

The Transaction and Code Set Standards (“the EDI Rule”) became effective October 16, 2003. Electronic data interchange (EDI) is the electronic transfer of information, such as electronic medical health claims, in a standard format between trading partners. The EDI Rule establishes standards for eight specific electronic transactions and code sets to be used in those transactions. The purpose of this standardization is to increase the efficiency of EDI and decrease costs to healthcare providers and health plans.

The HIPAA Security Standard (compliance date 4/21/2005) was implemented to ensure the confidentiality and integrity of individually identifiable health information that is electronically maintained or transmitted.

From the Director

This is the first of my quarterly newsletters about the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Each newsletter will contain updates concerning various issues relating to HIPAA. I hope that you find these newsletters informative.

In the December 2003 newsletter I have included general information about HIPAA, a summary of the HIPAA Privacy Compliance organization and information about the audit projects currently underway.

HIPAA Steering Committee

In 2002, the HIPAA Steering Committee was formed to direct efforts to ensure HIPAA compliance at Purdue. This committee has been a critical force in implementing the necessary policies and procedures. Members of the HIPAA Steering Committee are listed at:

http://www.purdue.edu/hipaa/admin/hipaaadmin.htm
HIPAA at Purdue

Purdue University is classified as a hybrid entity under the HIPAA privacy regulations. Purdue’s primary purpose is education; however, Purdue does have departments and covered components who provide covered healthcare services, and Purdue has self-insured health plans. Purdue also has offices or departments who provide business support to the healthcare provider and health plan covered components, and these business support offices or departments have or may have access to protected medical and health information. Purdue University, therefore, has surveyed its departments to identify and designate its covered components. Designated covered components include the following:

Healthcare Provider Covered Components
1. Purdue Student Health Center
2. Purdue Pharmacy
3. Family Health Clinic of Carroll County
4. Audiology and Speech Sciences Department
5. Counseling and Psychological Services

Healthcare Plan Covered Components
1. Medical Benefits Plan(s)
2. Vision Plan
3. Pharmacy Plan(s)
4. Health Care Flexible Spending Account Plan

Business Support Covered Components
1. Accounts Receivable
2. Accounting
3. Central Files
4. Internal Audit
5. Information Technology at Purdue
6. Public Records Office
7. Printing Services

HIPAA Compliance Organization at Purdue

HIPAA requires that each covered entity, including Purdue University, designate a privacy officer. In April 2002, Dr. James Westman was named privacy officer for Purdue. The privacy officer is responsible for the development and implementation of the policies and procedures of the entity and is responsible for overseeing the training of affected members of Purdue’s workforce. The privacy officer must also ensure appropriate documentation of training, and must assess and recommend appropriate administrative, technical, and physical safeguards to protect the privacy of PHI. The privacy officer will be in charge of ensuring compliance with policies and procedures implemented by Purdue, and to handle all obligations relating to the complaint process.

In May 2003, Dr. James Westman created the HIPAA Privacy Compliance Office to manage the many responsibilities associated with the HIPAA compliance efforts at Purdue. Joan Vaughan was named the Director of HIPAA Privacy Compliance and is assisted by Connie Washburn. Joan has been delegated full authority to act on behalf of the privacy officer in providing system-wide planning and oversight to ensure University compliance with HIPAA.

For HIPAA-related issues and questions, Joan can be contacted at:
601 Stadium Mall Drive
West Lafayette, IN 47907-2052
Phone: (765) 494-7113
E-mail: hipaa-privacy@purdue.edu

The HIPAA compliance strategy includes the naming of a liaison in each of the covered components at Purdue and for each of the regionals. The HIPAA liaison is responsible for implementing the approved policies and procedures and ensuring that these procedures are being followed in their designated area. The liaison is also responsible for training staff, investigating complaints and maintaining HIPAA-related documentation. A HIPAA Liaison Committee was formed to discuss and resolve the many policy and procedure issues impacting the covered components. A list of the HIPAA liaisons at Purdue may be found at:
http://www.purdue.edu/hipaa/arealiais/arealiais.htm

HIPAA Privacy and Security Audits

The HIPAA regulations are quite complex and include many requirements for the designated covered components. One of the best ways to identify areas of improvement is to conduct assessment in each of the impacted areas. Beginning in November 2003, Joan Vaughan began working with each of the area HIPAA liaisons to complete an assessment of all covered components at Purdue based on the HIPAA Privacy Rule. Once this assessment is complete, action plans will be produced to address the identified areas of improvement and a follow up will occur to ensure that the action plans have been implemented. The privacy assessment will occur annually thereafter.

In December 2003, the ITAP Security group, in cooperation with the HIPAA Privacy Compliance Office began an assessment of the security of electronic systems and storage of protected health information as mandated in HIPAA and the Gramm-Leach Bliley Act (GLBA). As with the privacy assessment, the security assessment will be conducted annually.

Purdue University is an equal access/equal opportunity university.