TESTIMONY
NATIONAL COMMITTEE ON VITAL & HEALTH STATISTICS
SUBCOMMITTEE ON STANDARDS AND SECURITY
WASHINGTON, DC
JULY 14, 2000

Good morning Mr. Chairman and members of the subcommittee. My name is Elliot M. Stone and I am the Executive Director and CEO of the Massachusetts Health Data Consortium, Inc. – a non-profit public/private partnership created 22 years ago as a non-partisan site for data collection and dissemination….. now with 105 + members.

Three years ago (June 24th, 1997) I opened my testimony to the NCVHS by trying to "persuade" the federal officials in the room that: " we are from the <u>STATES </u>and we are here to help." The offer still stands!

I would like to use my 10 minutes to highlight our success in the New England region identifying and assisting health care organizations to become "early adopters" of the HIPAA standards. The Consortium has adopted a three - phased strategy for HIPAA compliance in our region:
● Education
● Communication
● Resource Sharing – an effective blend of Process and Content!

Attachment 1 describes each of the 20+ activities in this compliance strategy. Before I give highlights of these three phases, I would like to explain why the Consortium took the lead as the convener and catalyst for HIPAA.

Why us?

1st   Our "Noble" wish: To improve the health of our community (especially the mental health) while at the same time reducing the Administrative Hassle Factor among Physicians, Hospitals, Insurers and Employers.
2nd   Our " Selfish wish": To eliminate barriers (lack of inter - organizational rules, for confidentiality, security and electronic transaction standards) that a Health Data Organization faces when trying to exchange clinical and administrative data among health care organizations and the community.

LESSON # 1
      Since health care and HIPAA are implemented at the local level, DHHS should develop partnerships with trusted regional and local organizations to build awareness of and compliance with HIPAA standards at the community level.

Our first major activity has been to <u>educate</u> the community about the value of standards through the creation of The CIO Forum- formed in 1994/1995 with an alternate vision of a decentralized "network of networks" instead of a centralized Community Health Information Network. (CHIN) (which was the rage five years ago.)

The CIO Forum now includes 8 Information Technology Companies and the Chief Information Officers of 27 Health Care Organizations – ½ from Provider Systems and ½ from Health Insurers - several of them national health plans – (note their photos on the inside back cover of our Annual Report.)

These CIOs agree on the annual projects and suggest topics (HIPAA is only one of many common themes) for research and education. Before the Consortium convened them, these leaders rarely met their CIO counterparts in the community. CIOs are extremely busy executives. The regional convener must be persistent at getting the CIOs out of "the trenches" to foster collegiality and collaboration in meeting the needs of the business units within their organizations.

Task Forces have also been an effective forum. Each Task Force has a CIO Executive Sponsor. For example, the Electronic Enrollment Task Force has invited major Employers to meet with the Health Plans to describe the benefits of a single electronic format (ANSI X12N 834) to replace the variety of formats that Employers are asked to use – especially those with Health Plans in multiple states. Previous to these Task Force meetings, the Health Plans stated that there was low interest for the 834 among employers – we have found the opposite to be true. But, the employers need to be convened and educated and provided tools – such as contract language about HIPAA for their negotiations with Health Plans.

Each Task Force regularly reports its progress:
1. to the CIO Forum
2. in Annual Report Case Studies
3. at Regional Conferences
4. on the Consortium's Website

Our next educational forum will be to convene the Directors of Operations – as a companion group to the CIO Forum.
The Operations Executives have direct responsibility for the Claims and Admitting/Eligibility process. Most of the HIPAA compliance activities are non-strategic (i.e. No Anti – Trust implications to collaborate) We have found that these Operations Executives rarely meet with their counterparts and are anxious to develop a shared agenda due to the obvious efficiencies of HIPAA.

The CIO Forum and Task Force participants have impressed upon us the need to make "the business case" and explain the Return on Investment (ROI) for standards.

For Example, recent findings from a Mass. Hospital Association survey shows that HMOs owe hospitals $193 million in claims, which are over 90 days old.

HMOs, for their part, are prevented from increasing their rates of auto-adjudicating claims (the range is 15 to 80% but many plans are at 45%) due, in part, to incomplete and/or inaccurate information from providers.

The business case can be made that standards could facilitate prompt payment. However, the most important business case for standards should continually be based on improved outcomes, error prevention and efficiencies.

LESSON # 2

Identify and convene the community's opinion leaders on technology: gain consensus on the ROI & benefits of HIPAA compliance to the IT and business departments; provide neutral forums to educate them and their managers.

Professor Michael Dertouzos of MIT's Lab for Computer Science has described the process of forming virtual alliances in the " Information Marketplace" of the future: "instant organizations of people who have never met their peers let alone built some mutual trust, won't work!"

Our 2nd major activity has been to communicate HIPAA Resources on the Consortium's Website and to alert our members and colleagues (through weekly emails) whenever new content is added to the Web. To date, our Website includes:
- worksheets on how to prepare a HIPAA compliance budget
- articles by local and national experts
- links to client advisories from major law firms
- guidelines for patient – centered E-mail
- confidentiality guidelines for Patient Consent
- summaries and comments on the HIPAA NPRMs
- a compendium of Privacy Principles
- Consortium - sponsored papers on health information privacy by Professors Paul Starr and Amitai Etzioni
- the Privacy Resource Center as a centralized portal for information about healthcare privacy, confidentiality and security issues
- a plan to implement privacy regulations in a teaching hospital

LESSON # 3

Communicate practical, useful information and tools for the project leaders charged with HIPAA implementation.

Our 3rd major activity has <u>been Resource Sharing,</u>
- our library researches members' questions about HIPAA and prepares white papers, research reports and literature packets
- our 5 state Robert Wood Johnson Foundation grant (MA, MN, NC, UT, WA) uses a website (www.healthkey.org) to explain PKI and describe its applications in each state
- The Consortium fostered the creation of two collaborative organizations
    1) The New England Healthcare EDI Network (NEHEN) which sends electronic transactions for Eligibility Inquiry and Response. (X12N 270/271) and Referrals (X12N 278) currently among six hospital systems and two health plans
    2) The Community Health Center Network (CHCNet) which sends electronic (ANSI X12N 278) referrals transactions among Community Health Centers and Neighborhood Health Plan
- The Consortium facilitated meetings among Mass. Medicaid, The Boston Medical Center, EDS, CSC, and NEHEN to link Medicaid's Recipient Eligibility Verification System to these pilot projects (and to alert Medicaid about the need for their vendors to be HIPAA compliant)

LESSON # 4

Participants in research and pilot projects should agree to share their findings with the community to accelerate the diffusion of standards from the "early" to "late" adopters.

These past few years have been a very rewarding time for those of us who have been advocating standards for years. We look forward to helping the NCVHS with the implementation of the final regulations. To paraphrase from "The Tipping Point" by Malcolm Gladwell – let's hope for an 'epidemic' of standards!

Thank you for the opportunity to provide this testimony.

Attachment 1
Massachusetts Health Data Consortium
Affiliated Health Information Networks of New England

Creating a Virtual Healthcare Community Through Collaboration
http://www.mahealthdata.org/mhdc/mhdc2.nsf/documents/2000reportsummary

HIPAA Compliance Strategy
- I.   EDUCATION
  - A.   Collegial Networking Opportunities
    1. CIO Forum – 27 Health Care Org., 8 IT Partners (bi-monthly)
    2. WEBMASTERS of member organizations (quarterly)
    3. Task Forces -
       - a) Desktop Deployment (Inter – Enterprise Standards)
       - b) Secure Inter – Enterprise E-Mail
       - c) Electronic Enrollment (ANSI X 12N 834)
  - B.   Information Exchange Events
    1. Healthcare & The Internet Conference – February
    2. Privacy Conference – April
    3. Health Policy Conference (HealthMart - Fall)
    4. Monthly Focus – of – the – Month topics
    5. HIPAA NPRM comments – facilitated meetings
- II.   COMMUNICATION
  - A.   Website - www.mahealthdata.org
    1. HIPAA Compliance Resources
    2. Privacy Resource Center
    3. HIPAA Contacts (members only)
  - C.   Health Data News – newsletter
  - D.   What's NeWWW – weekly e-mail bulletin
  - E.   Annual Report (with case studies)
- III.   RESOURCE SHARING
  - A.   Research Library
  - B.   RWJ grant (5 states) Healthkey: Internet Security/PKI & Privacy Policy www.healthkey.org
  - C.   Financing for NRC study: "For The Record…."
  - D.   Demonstrations: CHCNet; NEHEN, Regional Cost-Benefit Case Study