

The Administrators, Inc. BeneFits

Insurance products to fit your needs & budget

June 2003 Impact of HIPAA upon You As an Employer

As a provider of medical insurance benefits to your employees, you are covered by some of the requirements of the Privacy Act component of the Health Insurance Portability and Accountability Act (HIPAA).

The intent of the Act is to prevent employers from making employment decisions based on medical information that belongs only to the employee. This information is designated protected health information (PHI) and it is the centerpiece of the Act.

As an employer you are considered a plan sponsor and you must insure that any PHI maintained on your premises in hard copy or electronically is properly protected. This means that any member of your company with access to PHI must be trained in the restrictions and limitations of the use of such information. These individuals must sign off on documentation to show they understand these restrictions and limitations.

You also must demonstrate what you have done to identify, secure and protect the information you know to be protected. This information includes names and addresses of subscribers as well as sensitive information about claims, payments, treatments, or prescriptions.

Call TAI for additional guidance or information on our ability to evaluate your situation.

Employee Rights

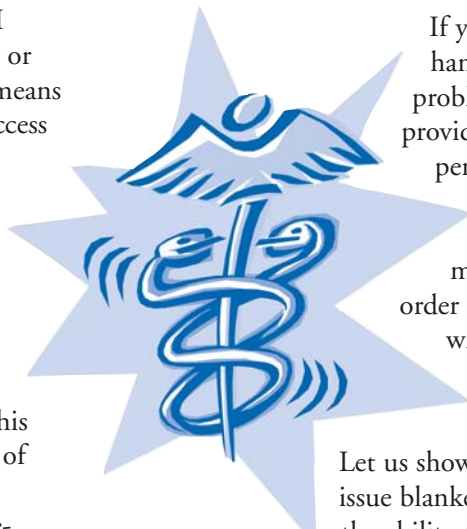
Any employee has the right to look at PHI in his file, or to file a charge with the Secretary of Health and Human Services.

Welcome to *BeneFits*

BeneFits is TAI's new report for you. Each issue will provide you with information on accessing your benefits, cost saving tips, new products, and ideas on how to keep your business healthy. Our contact information is also included so your benefit questions and needs can be met by our knowledgeable specialists.

HIPAA and Authorizations

An important aspect of privacy in the age of HIPAA is the need to show you have the right to discuss someone's protected health information.



If you have someone on staff to handle your employees' coverage problems, you need each employee to provide a written authorization for that person to discuss their situation with us. We also need authorization from each employee and each member of their family over 18 in order for us to discuss their situations with Independence Blue Cross (IBC).

This task can be made easier.

Let us show you how your employees can issue blanket authorizations that will give us the ability to handle their claim resolutions exactly as we did before. Without authorizations we will be delayed each time we deal with IBC on behalf of your employee.

If you think this is overkill, don't blame your carrier for the quagmire. It is government instigated and installed. Speak to your congressional representatives about this whole situation. We also welcome your letters outlining problems HIPAA causes for your business operations.



Providing Blanket Authorizations

Check the box labeled "All information related to the provision of and payment for my health care benefits and services." Provide the Purpose of Release as "To help with my health insurance services." Write "Until I revoke this authorization" in the Expiration area.

What Is a Business Associate?

Under HIPAA, certain kinds of businesses are considered Business Associates. The actual enterprises that HIPAA addresses are health care providers, health information clearinghouses, and insurance companies.

However, the Act also recognizes that there are several kinds of enterprises that assist the types of businesses listed above. It considers the fact that those secondary enterprises may have access to protected health information in the course of doing their job. Those companies include health insurance administrators, third-party administrators, lawyers, accountants, and IT consultants to mention just a few of the obvious enterprises.

If you operate a business that services health care providers, medical information clearinghouses, or insurance companies and need to access PHI, you are considered a business associate and have all of the same restrictions placed on you as these businesses.

What Is a Plan Sponsor?

As an employer you are considered a plan sponsor if you "sponsor" or create an insurance plan for your employees.

The Act recognizes that an employer is in a prime position to make employment decisions about an employee with information they might receive from an insurance company or administrator with whom they deal.

Accordingly the Act's privacy and security measures also apply to any relationship between a company and the administrator or carrier if PHI is used in conducting business with one another.

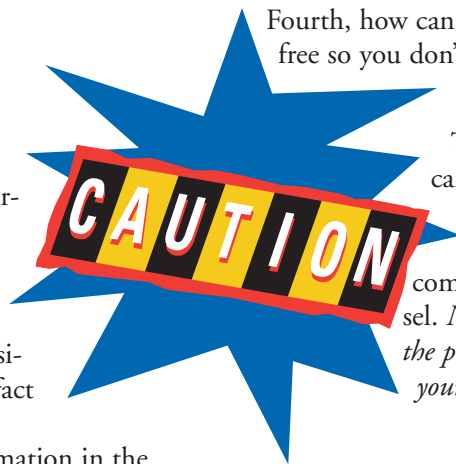
What Are My Major Concerns?

First, understand the basic issues. They will now be as important as any other human resource issue that impacts your management decisions and operations.

Second, can you logistically comply with the requirements of the Act? See the enclosed guidelines.

Third, what kind of information do you receive about your employees' health plan status and why do you need that information? Is there a good business reason for you to be involved in the operation of your health insurance plan?

Fourth, how can you set yourself up to be compliance free so you don't need to deal with protected health information?



These and all HIPAA-related questions can be addressed by your HIPAA resource, The Administrators, Inc. But, you also need to review any specific compliance concerns with your legal counsel. *Nothing included herein is intended to take the place of or communicate information about your legal position relative to HIPAA.*



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Interested in receiving information on our insurance products?*

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| <input type="checkbox"/> Accident | <input type="checkbox"/> Health |
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| <input type="checkbox"/> Dental | <input type="checkbox"/> Long Term Care |
| <input type="checkbox"/> Disability | <input type="checkbox"/> Vision |
| <input type="checkbox"/> Employee Assistance Plan | <input type="checkbox"/> Workers' Comp |

Fax your information to 610-604-4922:

Name _____

Business Name _____

Business Address _____

*Not all products are association endorsed.