

Fast-Class File

Client Data System

Volume 76: HIPAA Compliance Features

Introduction

The Administrative Simplification Requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) had a major impact on the Insurance and Financial Planning industries. This one act had far-reaching effects on client services practices and imposed strict penalties for violations. While using the Client Data System® cannot guarantee compliance (this is the responsibility of each individual organization), CDS 6 has various built-in controls that will assist in preventing casual and inadvertent violations.



There are three areas of validation and cross checking built into CDS 6 to assist you in your efforts to maintain compliancy. These parts of the system can be accessed independently of each other or used in conjunction.

The focus of the HIPAA compliancy workflows in CDS is to prevent the marketing of information to a potentially restricted contact. The logic is based on the HIPAA guidelines and requirements imposed by the compliance departments of some of our major corporate clients. The scenario for HIPAA compliancy verification can be initially derived from the Policy area or the Individual Contact area and the final verification is validated while sending a Letter. If a contact/letter combination is found to be in violation of HIPAA, the Letter cannot be created for the HIPAA protected. Letter creation exemptions due to HIPAA protection status cannot be overridden.

Overview of Workflow

Life Insurance Products and Contact Records work in conjunction with each other to form the basis of the HIPAA compliancy workflow in CDS. If a HIPAA protected product is sold to an Individual Contact, whether newly added or pre-existing in the office, CDS will automatically check the **Protected Contact** option in the **HIPAA Requirements** section of the **Additional Personal** tab of that contact record. Once the contact is tagged as a protected contact, Letter validation will verify if a particular letter can be created for the protected contact at the time of processing.

The letter validation process is very specific and follows a stringent set of rules that cannot be altered or overridden. This does not mean that Letters cannot be sent to a HIPAA protected contact. It does mean that only certain types of Letters can be sent to a HIPAA protected contact. The HIPAA status of a letter is defined in the **HIPAA Options** section of the **Form Letter Description** window. A Letter can be marked with one of three choices: **Not Applicable Letter**, **Not Protected Letter** and **Protected Letter**.

Figure 1: The HIPAA Options in the Form Letter Description window.

HIPAA Options for Form Letters in CDS

- **Protected Letter:** select this option to deliver letters to HIPAA protected contacts when communication is required for the proper servicing of these accounts. Although the functionality of this validation is similar to that of the letters marked **Not Applicable**, the reason for this classification is related to the HIPAA guidelines. If a HIPAA audit were to be performed and servicing letters sent to HIPAA contacts were lumped together with the **Not Applicable** letters, an organization might be found to be in violation. However, if the Letters were instead marked **Protected** and the auditors investigated the circumstances for the delivery of these letters, communication regarding the account and account servicing, these types of letters would most likely be deemed acceptable. Final determination of acceptable practices should be verified with the compliance department of the individual organization utilizing the Client Data System.
 - Letters marked **Protected** can be sent to all contacts regardless of their HIPAA protected status.
- **Not Protected Letter:** this option should be selected for all solicitation and marketing Letters that may violate HIPAA guidelines. The design of these letters is to generate additional business for the organization and because the information regarding who might be a willing recipient may have been generated during the Sales process, these letters should not be delivered to a HIPAA protected contact.
 - Letters marked **Not Protected** can only be sent to contacts that are either not HIPAA protected or have a valid HIPAA clearance. (The functionality

of the **HIPAA Clearance** and **Valid Up To** boxes will be detailed later in this document.)

- **Not Applicable Letter:** primarily used for non-solicitation letters that would not violate the marketing aspects of the HIPAA guidelines. Some examples of these types of letters are Birthday Greetings, Appointment Confirmations, Holiday Greetings, Monthly Newsletters, etc. Depending on the content of such letters, it is up to each individual organization to determine if a particular Letter could be classified as N/A.
 - Letters marked **Not Applicable** can be sent to all contacts regardless of their HIPAA protected status.

To view or update the HIPAA Status of a Form Letter

- Select **Tools** in the main menu and then select **Form Letter Maintenance** to perform a search for the selected form letter.
- CDS will display a list of form letters meeting your search criteria.
- Double-click on the entry for the selected form letter in the **Form Letter List**.
- Make any necessary changes to the form letter and close the letter. (Letters created using E-Z Word should be closed as if closing the document and letters created using E-Z Editor should be closed using **File -> Save File As** from the main menu.)
- Select the appropriate HIPAA status in the **HIPAA Options** section of the **Form Letter Description** window (see figure 1).

HIPAA Protected Contacts

After the **HIPAA Protection** option is selected for an Individual Contact, whether manually or through validation after a protected product is sold to the contact, letter validation will verify if the contact can receive a certain letter while it is being processed. A letter marked **Not Protected** will not be generated for a contact with the **HIPAA Protection** option selected. However, in the case that the **HIPAA Protection** option has been selected and the contact has signed a waiver and the **HIPAA Clearance** option with a valid date has been selected in the contact record, CDS will permit the creation of letters with a Not Protected status for the contact. The HIPAA guidelines allow an individual to sign a waiver allowing for further contact for the purpose of making additional sales. This waiver is typically valid for two years from the date of signing and therefore the **HIPAA Valid Through** field automatically inserts a date two years in the future when the **HIPAA Clearance** option is selected. Click the **HIPAA Valid Through** field label to make any necessary adjustments to the waiver date.

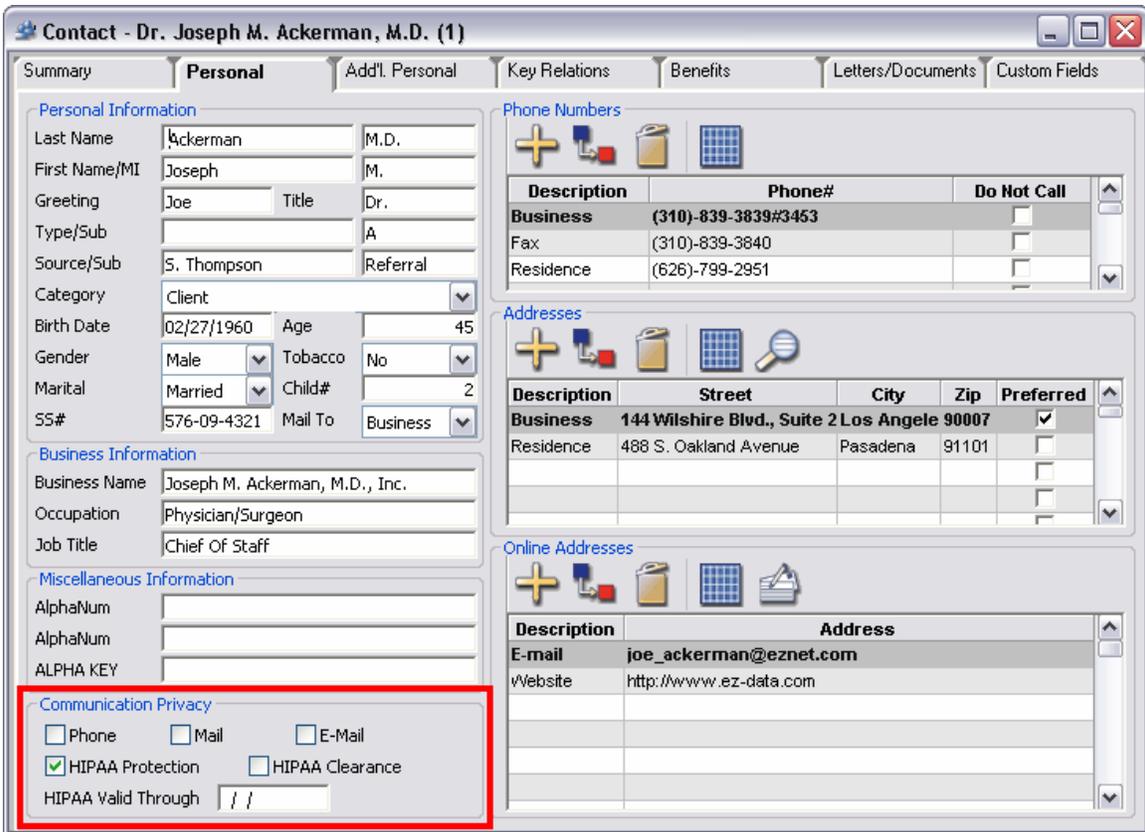


Figure 2: The HIPAA Protection Options on the Personal tab of a contact record.

HIPAA Workflow

In order to ensure HIPAA compliance with letter delivery to contacts, the HIPAA protection options on the contact **Personal** tab must be properly marked. This can be performed by either manually marking the checkbox for the contact(s) or marking the **HIPAA Product** option on the **Product Detail** tab of an Insurance product held by the contact.

To update contacts holding policies based on HIPAA protected products:

- Click the **Product Insurance** button on the toolbar to perform a search for the HIPAA protected product.

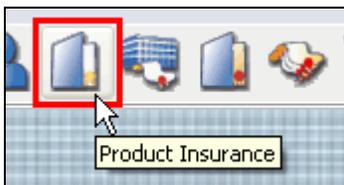


Figure 3: The Product Insurance button.

- Enter search criteria for the selected product.
- Products meeting search criteria will be displayed in a **Product Summary** screen.
- Select the product by double-clicking the entry in the summary screen.
- The **Product Detail** of the selected product will open.

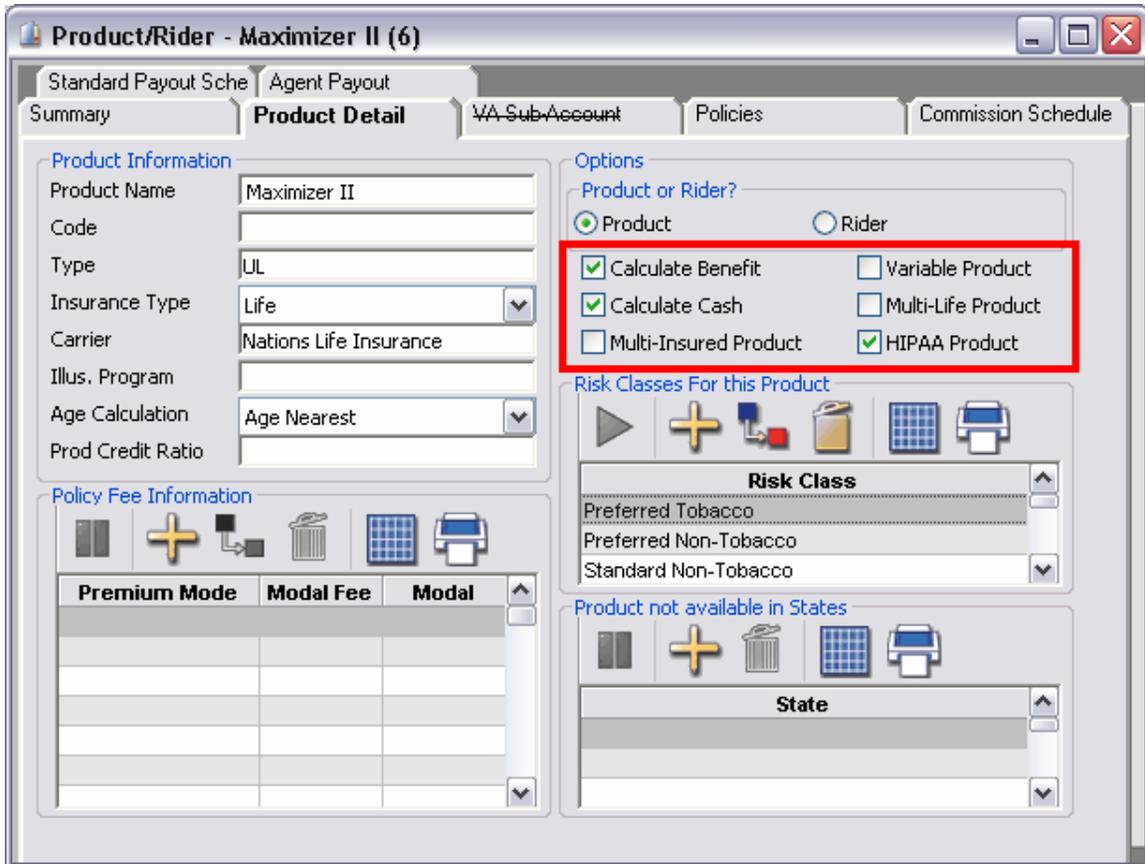


Figure 4: The Product Detail tab – HIPAA Product option selected.

- Select the **HIPAA Product** option in the **Options** section of the **Product Detail** screen.
- CDS will automatically select the **HIPAA Protection** option on the **Personal** tab of all contacts holding a policy based on the HIPAA protected product.

Note: Running the weekly validation will also ensure that all contacts holding a policy based on a HIPAA protected product will also be identified as HIPAA protected contacts.

HIPAA Letter Validation

When attempting to send a letter identified as Not Protected, CDS will block the creation of the letter for HIPAA protected contacts without HIPAA clearance.

HIPAA Letter Validation during Mass Correspondence

- Select a group of contacts for mass correspondence.
- Click the **Spreadsheet Correspondence** button.
- Select the **Form Letter** option.
- Enter search criteria for the selected form letter.
- Select the form letter in the **Print Form Letter** window. The HIPAA status will be visible in the **Letter** summary provided that the **HIPAA** column is in view.

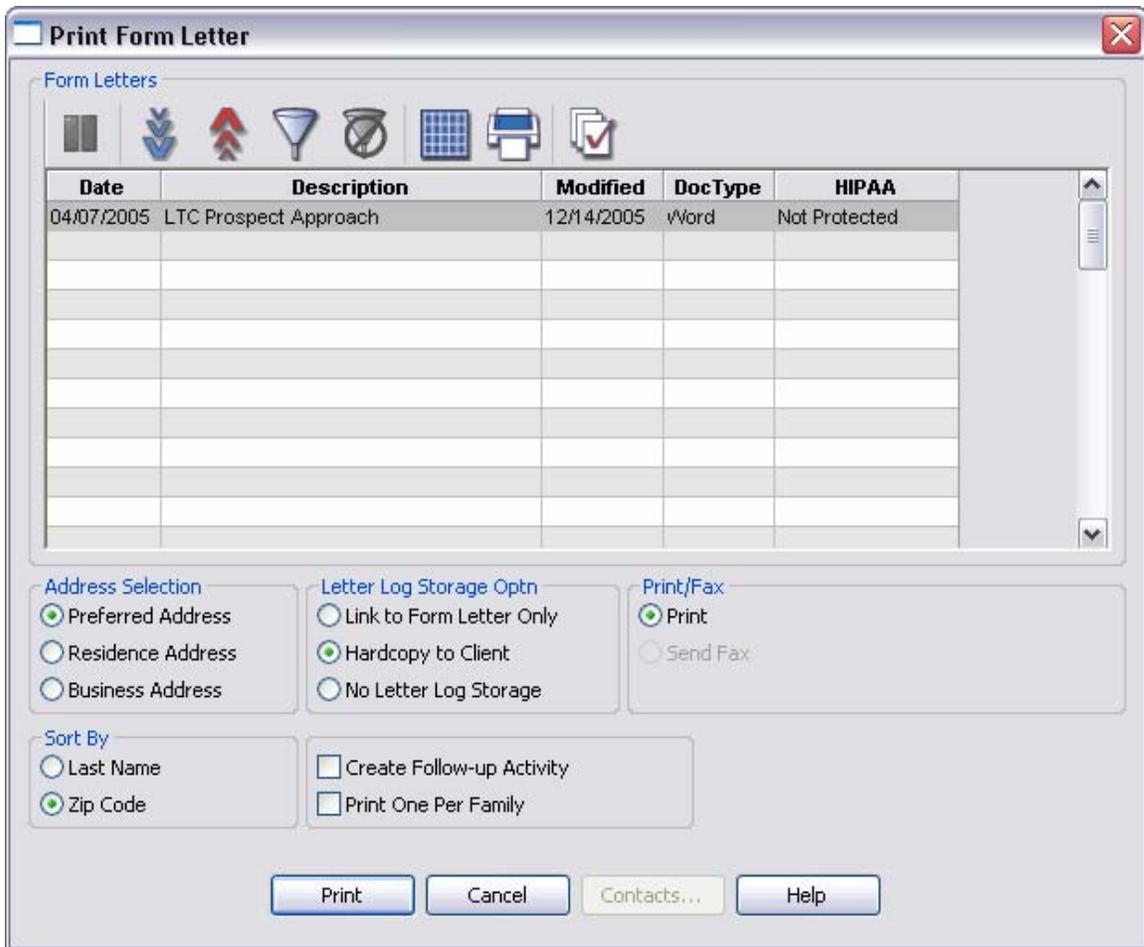


Figure 5: The Print Form Letter window – letter with Not Protected status selected.

- Click **Print**.
- CDS will display a list of HIPAA protected contacts in the **HIPAA Protection** window. Correspondence will not be generated for contacts listed in the **HIPAA Protection** window.

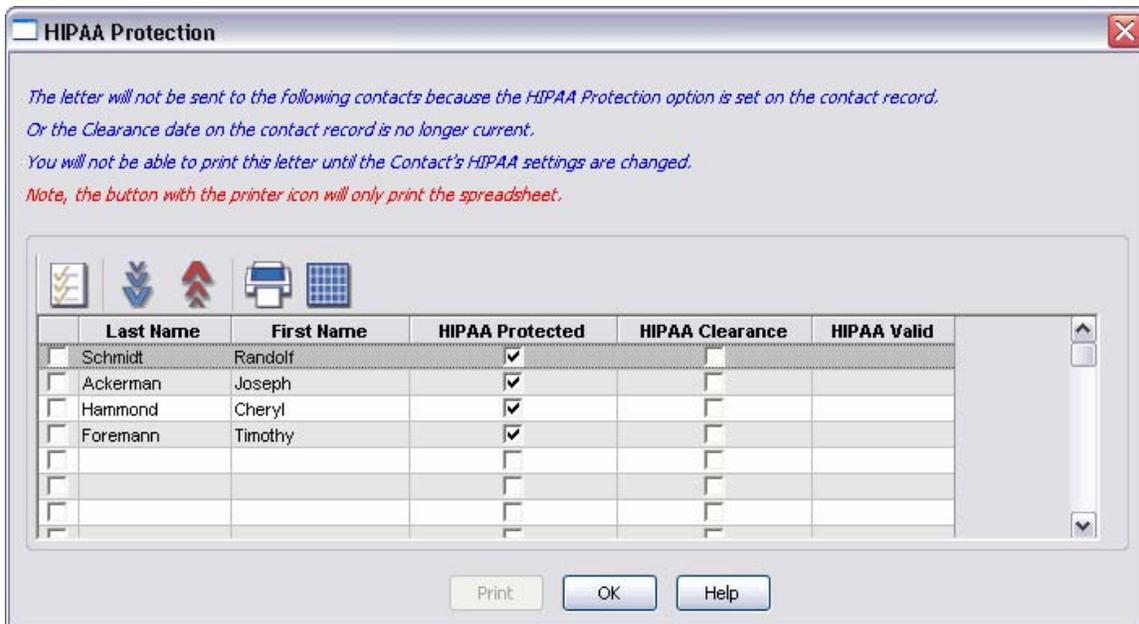


Figure 6: The HIPAA Protection window.

- Click **OK** to print correspondence for contacts not exempted due to HIPAA protection.

*Note: Exemptions due to HIPAA protection cannot be overridden. This does not mean that HIPAA protected contacts cannot receive correspondence. It simply means that CDS will not generate correspondence identified as **Not Protected** for HIPAA protected contacts unless the contact has signed a waiver and the unprotected letter is generated before the waiver expiration date entered in the **HIPAA Valid Through** field.*

Disclaimer

This document assumes a certain level of familiarity with HIPAA and its guidelines. The design of this document is not meant as a guarantee of compliancy but instead to provide information regarding how the Client Data System supports these guidelines. Each organization using this software system and governed by the rules detailed by this Act must be responsible for their own internal compliancy. The information contained within this document is accurate as of the Fast Class File publication date.