Department of Health and Human Services

Health Insurance Portability and Accountability Act of 1996

Electronic Health Care Transactions and Code Sets Standards Model Compliance Plan

In 1996, the Health Insurance Portability and Accountability Act (HIPAA) became law. It requires, among other things, that the Department of Health and Human Services establish national standards for electronic health care transactions and code sets. October 16, 2002 was the original deadline for *covered entities* to comply with these new national standards. However, in December 2001, the Administrative Simplification Compliance Act (ASCA) extended the deadline for compliance with HIPAA Electronic Health Care Transactions and Code Sets standards (codified at 45 C.F.R. Parts 160, 162) one year – to October 16, 2003 – for all *covered entities* other than *small health plans* (whose compliance deadline is already October 16, 2003). In order to qualify for this extension, *covered entities* must submit a compliance plan by October 15, 2002. Completion and timely submission of this model compliance plan will satisfy this federal requirement, and assist us in identifying and addressing impediments to your timely and effective implementation of the HIPAA Electronic Health Care Transactions and Code Sets standards. If you are a *covered entity* other than a *small health plan* and do not submit a compliance plan, you must be compliant with the HIPAA Electronic Health Care Transactions and Code Sets standards by October 16, 2002.

For general information about HIPAA and instructions on how to complete this compliance plan, refer to our website, www.cms.hhs.gov/hipaa. You can go to the website and submit this on-line compliance plan electronically, and we will provide an on-line confirmation number as acknowledgment of your extension. This on-line compliance plan is a model only, and is provided for your information. *Covered entities* have the option of submitting their own version of a compliance plan that provides equivalent information. Refer to the instructions on our website for information on how to file alternative submissions. For those filing electronically, your electronic confirmation number will be the only notice that you have received an extension. No other notice will be provided for electronic or paper submissions. If your paper plan consists of the equivalent information required by the statute (*covered entity* and contact information; reasons for filing for the extension; implementation budget; and the three phases of the implementation strategy) your plan is complete and you may consider your extension granted.

For information on *defined terms* used in this document, refer to 45 C.F.R. 160.103 or 162.103.

Section A: *Covered Entity* and Contact Information

1. Name of *Covered Entity*	2. Tax Identification Number	3. Medicare Identification Number(s)

4. Type of C*overed Entity* (Check all that apply from these drop-down menus)

☐ *Health Care Clearinghouse* ☐ *Health Plan* ☐ *Health Care Provider*

Dentist
DME Supplier
Home Health Agency
Hospice
Hospital
Nursing Home
Pharmacy
Physician/Group Practice
Other

5. Authorized Person _____ 6. Title _____

7. Street

8. City State Zip

9. Telephone Number

Section B: Reason for Filing for This Extension

10. Please check the box next to the reason(s) that you do not expect to be compliant with the HIPAA Electronic Health Care Transactions and Code Sets standards (45 C.F.R. Parts 160, 162) by October 16, 2002. Multiple boxes may be checked.

- ☐ Need more money
- ☐ Need more staff
- ☐ Need to buy hardware
- ☐ Need more information about the standards
- ☐ Waiting for vendor(s) to provide software
- ☐ Need more time to complete implementation
- ☐ Waiting for clearinghouse/billing service to update my system
- ☐ Need more time for testing
- ☐ Problems implementing code set changes
- ☐ Problems completing additional data requirements
- ☐ Need additional clarification on standards
- ☐ Other

Section C: Implementation Budget

This question relates to the general financial impact of the HIPAA Electronic Health Care Transactions and Code Sets standards (45 C.F.R. Parts 160,162) on your organization.

11. Select from the drop-down menu the range of your estimated cost of compliance with the HIPAA Electronic Health Care Transactions and Code Sets standards (45 C.F.R. Parts 160, 162):

Less than $10,000
$10,000 - $100,000
$100,000 - $500,000
$500,000 - $1 million
Over $1 million
Don't know

Section D: Implementation Strategy

This Implementation Strategy section encompasses HIPAA Awareness, Operational Assessment, and Development and Testing. For more details on completing each of these subsections, refer to the model compliance plan instructions at www.cms.hhs.gov/hipaa.

Implementation Strategy Phase One -- HIPAA Awareness

These questions relate to your general understanding of the HIPAA Electronic Health Care Transactions and Code Sets standards (45 C.F.R. Parts 160, 162).

12. Please indicate whether you have completed this Awareness phase of the Implementation Strategy.
    ☐ Yes ☐ No

    If yes, skip to (14), and then to Phase Two – Operational Assessment. If no, please answer both (13) and (14). Have you determined a:

13. Projected/Actual Start Date: (select month/year from this drop-down menu) ☐ ☐

14. Projected/Actual Completion Date: (select month/year from this drop-down menu) ☐ ☐

Implementation Strategy Phase Two -- Operational Assessment

These questions relate to HIPAA operational issues and your progress in this area.

15. Please indicate whether you have completed this Operational Assessment phase of the Implementation Strategy.
    ☐ Yes ☐ No

    If yes, proceed to (20) and then Phase Three – Development and Testing. If no, please answer all the following questions. Have you:

16. Reviewed current processes against HIPAA Electronic Health Care Transactions and Code Sets standards (45 C.F.R. Parts 160, 162) requirements?
    ☐ Yes ☐ No ☐ Initiated But Not Completed

17. Identified internal implementation issues and developed a workplan?
    ☐ Yes ☐ No ☐ Initiated But Not Completed

18. Do you plan to or might you use a contractor/vendor to help achieve compliance?
    ☐ Yes ☐ No ☐ Undecided

19. Projected/Actual Start Date: (select month/year from this drop-down menu) ☐ ☐

20. Projected/Actual Completion Date: (select month/year from this drop-down menu) ☐ ☐

Implementation Strategy Phase Three --- Development and Testing

These questions relate to HIPAA development and testing issues. ASCA legislation requires that testing begin no later than April 16, 2003. For more details, refer to the model compliance plan instructions at www.cms.hhs.gov/hipaa.

21. Please indicate whether you have completed this Development and Testing phase of the Implementation Strategy.

☐ Yes ☐ No

If yes, proceed to (26). If no, please answer all the following questions. Have you:

22. Completed software development/installation?

☐ Yes ☐ No ☐ Initiated But Not Completed

23. Completed staff training?

☐ Yes ☐ No ☐ Initiated But Not Completed

24. Projected/Actual Development Start Date: (select month/year from this drop-down menu)

25. Projected/Actual Initial Internal Software Testing Start Date: (select month/year from this drop-down menu)

26. Projected/Actual Testing Completion Date: (select month/year from this drop-down menu)

CLICK HERE TO SUBMIT ELECTRONICALLY

CLICK HERE TO CLEAR PLAN

FOR PAPER SUBMISSIONS:

Please mail paper versions of this model compliance plan to:

Attention: Model Compliance Plans
Centers for Medicare & Medicaid Services
P.O. Box 8040
Baltimore, MD 21244-8040

CMS will not provide an acknowledgment of receipt of paper submissions of this model compliance plan. For proof of delivery, we suggest that you use the U.S. Postal Service.

Department of Health and Human Services
HIPAA Electronic Health Care Transactions and Code Sets Standards
Model Compliance Plan Instructions

Overview

In 1996, the Health Insurance Portability and Accountability Act (HIPAA) became law. It requires, among other things, that the Department of Health and Human Services establish national standards for electronic health care transactions and code sets. October 16, 2002 was the original deadline for *covered entities* to comply with these new national standards. However, in December 2001, the Administrative Simplification Compliance Act (ASCA) extended the deadline for compliance with HIPAA Electronic Health Care Transactions and Code Sets standards (codified at 45 C.F.R. Parts 160, 162) one year – to October 16, 2003 – for all *covered entities* other than *small health plans* (whose compliance deadline is already October 16, 2003). In order to qualify for this extension, *covered entities* must submit a compliance plan by October 15, 2002. Completion and timely submission of this model compliance plan will satisfy this federal requirement, and assist us in identifying and addressing impediments to your timely and effective implementation of the HIPAA Electronic Health Care Transactions and Code Sets standards. If you are a *covered entity* other than a *small health plan* and do not submit a compliance plan, you must be compliant with the HIPAA Electronic Health Care Transactions and Code Sets standards by October 16, 2002.

You can submit this on-line model compliance plan electronically, and we will provide an on-line confirmation number as acknowledgment of your extension. This on-line compliance plan is a model only, and is provided for your information. *Covered entities* have the option of submitting their own version of a compliance plan that provides equivalent information. Refer to the "Alternative Submissions" section of these instructions for more information. For those filing electronically, your electronic confirmation number will be the only notice that you have received an extension. No other notice will be provided for electronic or paper submissions. If your paper plan consists of the equivalent information required by the statute (*covered entity* and contact information; reasons for filing for the extension; implementation budget; and the three phases of the implementation strategy) your plan is complete and you may consider your extension granted.

Completing this model compliance plan takes about 15-20 minutes. Simply answer a few questions about compliance concerns you may have, and tell us where you are in the implementation process.

The Centers for Medicare & Medicaid Services (CMS) will share information obtained from submitted compliance plans with the National Committee on Vital and Health Statistics (NCVHS) as required by the Administrative Simplification Compliance Act. The NCVHS serves as the statutory public advisory body to the Secretary of Health and Human Services in the area of health data and statistics. The NCVHS will use this information to identify barriers to compliance. All information shared with the NCVHS will have identifying information deleted.

For information on *defined terms* used in this document, refer to 45 C.F.R. 160.103 or 162.103.

Who Should File

If you are a *covered entity* and will not be compliant with the HIPAA Electronic Health Care Transactions and Code Sets standards by October 16, 2002, you must file a compliance plan in order to obtain an extension. A *covered entity* is a *health plan, a health care clearinghouse, or a health care provider* who transmits any health information in electronic form in connection with a transaction for which the Secretary has adopted standards at 45 C.F.R. Part 162. These terms are defined at 45 C.F.R. 160.103. The term *"health care provider"* includes individual physicians, physician group practices, dentists, other health care practitioners, hospitals, nursing facilities, and so on.

If you are a member of a group practice, the extension will be granted to all physicians/practitioners who are members of that practice. It is not necessary to file separate compliance plans for each physician in the practice if the practice files all claims on your behalf. However, if you submit claims for payment outside of the group's claims processing system, you need to file your own compliance plan.

You do not have to file a compliance plan if you will be compliant by October 16, 2002 but one or more of your trading partners is not yet HIPAA compliant. But remember that you/your organization must be HIPAA compliant by this date (or by October 16, 2003 if you are filing a compliance plan) for all transactions that apply to you.

When to File

Compliance plans must be submitted electronically no later than October 15, 2002. Paper submissions should be postmarked no later than October 15, 2002. Compliance plans filed electronically and paper submissions received or postmarked after this date will not qualify for the extension.

How to File

Electronic submission is the fastest, easiest way to file your compliance plan. Just complete the model compliance plan on-line, click "Submit" at the end, and it will be on its way to us electronically. For those filing electronically, your electronic confirmation number will be the only notice that you have received an extension. No other notice will be provided for electronic or paper submissions. If your paper plan consists of the equivalent information required by the statute (*covered entity* and contact information; reasons for filing for the extension; implementation budget; and the three phases of the implementation strategy) your plan is complete and you may consider your extension granted.

Please do NOT electronically submit AND mail paper copies of this model compliance plan. One submission per *covered entity*, either electronically OR paper, will suffice.

Alternative Submissions

Covered entities that use the model compliance plan provided on our website, www.cms.hhs.gov/hipaa can file electronically. If you cannot submit your compliance plan electronically via our website, or you want to submit your own version of a compliance plan

that provides equivalent information, it must be printed and mailed to us. Please send paper submissions of your compliance plan postmarked no later than October 15, 2002 to:

Attention: Model Compliance Plans
Centers for Medicare & Medicaid Services
P.O. Box 8040
Baltimore, MD 21244-8040

CMS will not acknowledge receipt of paper submissions. For proof of delivery, we suggest you use the U.S. Postal Service.

Section A: *Covered Entity* and Contact Information

(1) Name of *Covered Entity*. Please enter the name of the *covered entity* for which you are filing this compliance plan. See "Who Must File" above for more information.

If you are filing for multiple related *covered entities* that are operating under a single implementation plan, list their names, tax identification numbers and Medicare identification numbers. Compliance plans for unrelated multiple *covered entities* or for related *covered entities* that are not included under the same implementation plan must be filed separately. Are you filing for a health plan, health care clearinghouse or other health care organization that has multiple components? If they are operating under the same implementation plan, then you can file one compliance plan on their behalf. If not, then you must file separate compliance plans for each entity. See also (5) "Authorized Person" for more information.

(2) Tax Identification Number. Enter each *covered entity's* IRS Employer Identification Number (EIN). If there is no EIN, enter the *covered entity's* Social Security Number. While an EIN or Social Security Number is not required, this information will facilitate ensuring that the correct *covered entity* obtains the extension.

(3) Medicare Identification Number.

Please enter the identification number that applies to each *covered entity* listed.

- If you are a Medicare physician or physician group, enter your UPIN number.
- If you are a supplier of durable medical equipment, enter your NSC number. If you have multiple locations under one EIN, just report the initial location's number (a 6-digit number followed by 0001)
- If you are an institution, enter your OSCAR number. This is your 6-digit Medicare billing number.

If you are not a Medicare provider, you need not enter any identification number in (3).

(4) Type of *Covered Entity*. Tell us which *covered entity* category applies to your organization. Check all boxes that apply.

(5) Authorized Person. Provide the name of a person who is authorized to request the extension and provide the information. This might be the individual physician, business/practice

manager, a corporate officer, chief information officer or other individual who is responsible for certifying that the information provided is accurate and correct. (You may include a title, e.g., Dr.). If filing for multiple *covered entities*, this person should be authorized to request the extension for all the listed *covered entities*. Otherwise, a separate compliance plan must be filed to indicate the authorized person for each respective *covered entity*.

(6) Title. Provide the title for the person shown in (5).

(7) Street. Enter the street mailing address/post office box for the person shown in (5)

(8) City/State/Zip. Enter this information for the person's address as shown in (5).

(9) Telephone Number: Enter the telephone number (including area code) for the person shown in (5).

Section B: Reason for Filing for This Extension

(10) Please let us know the reason(s) why you will not be in compliance with the HIPAA Electronic Health Care Transactions and Code Sets standards (45 C.F.R. Parts 160, 162) by October 16, 2002. Check all boxes that apply. If the reason you will not be compliant is not shown, check "Other" and briefly specify the reason for non-compliance.

Section C: Implementation Budget

This question asks about the estimated financial impact of HIPAA compliance on your organization. Please respond to (11) by indicating on the drop-down menu which category most closely reflects your estimate of your HIPAA compliance costs. If you're not sure, check "Don't Know."

Section D: Implementation Strategy

This section asks about overall awareness of the HIPAA Transactions and Code Set Standards, Operational Assessment, and Development and Testing. These are collectively referred to as the Implementation Strategy.

Implementation Strategy Phase One -- HIPAA Awareness

If you have completed this Awareness phase of the Implementation Strategy, check YES (12) and skip to (14), indicating your completion date for this phase. Then proceed to Phase Two – Operational Assessment. If you answer (12) NO, answer (13) and (14).

To complete this Awareness phase you should

- obtain information regarding HIPAA Electronic Transactions and Code Sets Standards;
- discuss this information with your vendors; and
- conduct preliminary staff education.

Tell us when you started or plan to start this activity (13), and when you completed or plan to complete activity for this Awareness phase of the Implementation Strategy (14).

Implementation Strategy Phase Two -- Operational Assessment

If you have completed this Operational Assessment phase of the Implementation Strategy, check YES (15) and skip to (20), indicating your completion date for this phase. Then proceed to Phase Three – Development and Testing. If you answer (15) NO, answer all questions (16) through (20).

To complete this Operational Assessment phase you should

- inventory the HIPAA gaps in your organization;
- identify internal implementation issues and develop a workplan to address them; and
- consider and decide whether or not to use a vendor or other contractor to assist you in becoming compliant with the HIPAA Electronic Health Care Transactions and Code Sets standards.

Indicate your progress for tasks (16) through (18), and projected/actual start and completion dates for this phase in the boxes provided (19) and (20).

Implementation Strategy Phase Three -- Development and Testing

If you have completed this Development and Testing phase, check YES (21) and skip to (26), indicating your completion date. If you answer (21) NO, answer all questions (22) through (26).

To complete this Development and Testing phase, you should

- finalize development of applicable software and install it;
- complete staff training on how to use the software; and
- start and finish all software and systems testing.

Show your progress for tasks (22) and (23) for resolving computer software conversion to a HIPAA compliant system and training your staff. Indicate your projected/actual development start dates (24), projected/actual initial internal software testing date (25) and final testing completion date (26).

The model compliance plan is now complete. You may click on “Clear Plan” to delete your entries and revise your information, or “Submit Electronically” to electronically submit this model compliance plan; or print it and follow the instructions for paper submissions in the “How to File” section of these instructions.