An Integrated Business Approach to Process Improvement and HIPAA Compliance

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Abstract

The authors present a proven approach to identify entity-specific changes needed for improvement and for HIPAA compliance. MAPP, a Management Action Planning Process, unlike surveys or checklists, identifies projects that enable compliance and achieve long-term enterprise process improvement.

Keywords

HIPAA
Planning
Business process
Modeling
Process improvement
Management Action Planning Process (MAPP)

Introduction

In 1999, many healthcare organizations spent millions of dollars on Y2K. Except for a few instances where obsolete systems were replaced and some new functionality implemented, Y2K resulted in a bottom line cost with little added functional value. Preparation for compliance with HIPAA presents another, and even better, opportunity than Y2K for process improvement.

Although the basis for HIPAA’s administrative simplification relies on achieving cost reductions for both payers and providers through implementing electronic transaction standards, many organizations have yet to recognize and project their potential savings. Beyond standards for electronic transactions, many payer and provider healthcare organizations view HIPAA as they did Y2K: all cost and no additional benefit. This approach to HIPAA compliance will add significant pressures to the balance sheets of many organizations while adding little to support their mission
This article shows how documentation of an enterprise’s business processes can reveal the potential for process improvements and enable simultaneous planning for compliance, service level improvements, and operating cost reductions. It also introduces the concept of compliance process standards derived from the HIPAA regulations. Using this method, a HIPAA gap analysis can be performed by comparing the HIPAA process standards with the processes used by the enterprise to conduct its business.

**The Case for HIPAA Compliance Through Process Improvement**

Most organizations have started their HIPAA compliance projects by performing a compliance assessment. This approach is necessary as a first step towards obtaining HIPAA compliance. Checklists and surveys are frequently used to inventory policies or processes that are HIPAA compliant. This method is relatively inexpensive, but the inventory data is limited to the scope and narrow intent of the survey, and once the data is collected, what do you do with it?

A checklist or a survey approach results in a list of what an organization is currently doing, or is not doing, with respect to compliance requirements. It does not put the data in the context of the actual operation of the business. Although some useful data is gathered, little insight is gained about what to do about those circumstances where activities must be modified, or how to integrate new processes to comply with the regulations. No plans for moving forward with HIPAA compliance are forthcoming from the checklist or survey approach.

Figure 1 diagrams the checklist or survey approach to HIPAA. In process A1, HIPAA-related inventories are taken and the HIPAA-related questions are answered. The checklist or survey is usually sent to the respondent who then fills out the survey without the benefit of a discussion about the processes the respondent follows or the impact of HIPAA on those processes.

Process A2 provides the evaluation of the impact of HIPAA and state regulations on the information gathered in the checklist or survey. A gap analysis is performed and corporate HIPAA strategies are developed in process A3. Potential HIPAA compliance projects and the corporate HIPAA strategies are then used in process A4 to develop HIPAA compliance plans. Note that for purposes of this paper, we assume that all state regulatory requirements are currently being met by the enterprise.

MAPP, a superior approach, entails a structured analysis of the gap between the current processes and support systems used by the enterprise (provider, health plan, or clearinghouse) and the future processes and support systems driven by HIPAA reference standards and future business requirements. MAPP, by modeling the regulations and the enterprise’s current business processes, policies, and technologies in use reveals:

1. Opportunities to reduce liabilities
2. Opportunities to improve financial performance
3. Opportunities to improve productivity by eliminating and streamlining current processes
4. Opportunities to improve patient satisfaction and trust
5. Opportunities to reduce medication errors
6. Operational, tactical, and strategic plan flaws
7. Requirements for HIPAA compliance

Figure 2 diagrams the MAPP approach. Process A1 documents and models the current processes and policies of the organization. Process A2 inventories HIPAA-related documentation such as hardware and software descriptions, computer operations run books, and backup and disaster recovery plans.

The process models and documented policies are used to perform the HIPAA policy and process gap analysis. Processes A3 through A7 are the evaluation steps that develop the potential benefits and compliance gaps. Process A8 develops new corporate strategies to limit liabilities and take advantage of the opportunities that were uncovered by the development of the process model.

The new strategies along with the potential projects that result from the evaluations are then input to process A9, where new process, policy, and technology plans are developed.

Many individuals follow their departmental processes so automatically that they do not have a conscious view of what, how, and why they perform their functions. The MAPP methodology of building detailed process models allows individuals to focus on and describe what they do. In many instances, there has been a reaction like: “Aha, I didn’t realize
that is what I do and how it fits in to the whole process. We need to fix this."

In addition to building a model of the processes, it is also important to build models of the HIPAA privacy and security regulations that are relevant to the enterprise’s business. The advantage to building a regulation model is fourfold:

1. It is easier to work with a model of the regulations than directly with the regulations to determine the gap between the requirements and current processes.
2. When the regulations model is completed, it can readily be determined where new processes are required but are not specified in the regulations (see “About HIPAA Processes and Support Standards” section below).
3. While building the model of the regulations, an in-depth understanding of the regulations and their relevance to the business is attained.
4. The use of a regulation model significantly improves the ability of analysts to communicate the intent of the regulations to a wide variety of audiences.

A comparison of the two approaches (checklist/survey vs. MAPP) clearly shows how MAPP has the potential to provide significant return on the HIPAA investment.

About Enterprise Processes

Enterprise processes make up all of the processes that an organization employs to carry out its mission. Healthcare enterprises perform many processes in common. For example, providers and health plans alike disclose protected health information to attorneys, provide training to new employees, and must protect health information from unauthorized access and modification. Healthcare enterprises also perform different business processes peculiar to their business purpose. For example, only health plans adjudicate claims and only providers register patients.

Both the security and privacy HIPAA regulations require documenting how health information is processed and handled. MAPP satisfies that requirement by establishing a baseline documentation and analysis of an enterprise’s business processes.

Process documentation must describe the existence of a process and how that process is performed in sufficient detail to evaluate alternatives for performance improvement and to assess the impact of HIPAA regulations on the process. For example, table 1 shows a model of a process used to disclose protected healthcare information.

In this example, the process is described in enough detail to see that (1) no validation or authority for the request is checked, (2) no documentation for a future HIPAA accounting is produced, and (3) a business associate agreement will be necessary for the copy service as required by the HIPAA privacy regulations. The model also shows that a high level of approval, i.e., the Corporate Counsel’s office, is required. Modeling enterprise processes this way clearly shows that in this example both regulatory and productivity changes need to be made.

Table 2 shows that, as a result of the analysis of the process example, several modifications are planned. The future process is streamlined and complies with the HIPAA requirements.

HIPAA requires that, in some circumstances, there be a valid authorization prior to the release of protected healthcare information. In the modified process, when an attorney’s office calls with a request for a copy of medical information, a valid authorization form is requested. When the authorization form is received, it is validated for content and signature. The validation step triggers the copying process.

Since there is now a valid authorization form, there is no longer any need to require approval from the management team. A productivity gain has been achieved because there is no longer the need for a director and a corporate attorney to take the time to read and approve a request for information.

The Copy Request Forms and the authorizations are now filed and document retention requirements can be fulfilled. If there is a request in the future for an accounting of disclosures, the information is readily available.

In addition to documenting and addressing several HIPAA issues, this example shows how nonproductive and costly steps, possibly unknown to management, can be exposed and eliminated.
enterprise activities. The outcome of the analysis is usually a list of things to do to achieve compliance. From that list, analysts must then determine which of the items on the list are relevant to the enterprise and then determine to what extent the remaining items on the list modify existing processes or indicate new processes that have to be integrated into the enterprise. Since the analysis must always end with a discussion about business processes, it is effective and convenient for the regulations to be interpreted and documented in terms of business processes.

An example of process interpretation of the HIPAA privacy regulations is shown below in table 3 where §164.522 is shown as a process and supporting sub-processes.

Note that the requirement in §164.522 (ii), “A covered entity is not required to agree to a restriction,” implies the existence of a process to evaluate the request. Also note that the implied evaluation will require a response. The regulations are silent on this point: they express intent, but do not always indicate the steps necessary in achieving that intent.

Every covered entity will have to decide what sub-processes are necessary to comply with the regulations and how the sub-processes are customized for the enterprise. Since every entity will encounter the same HIPAA process requirements, these process requirements can be considered to be standards. Industry-wide agreement on the process standards has not yet begun.

Sub-processes such as 1.1.3. in table 3 [“Document Established Restrictions” §164.522 (a)(3), §164.530 (j)] require information systems to support their requirements. Information systems required for support could be manual systems or automated systems.

In this case, the regulations in §164.522 (a)(1)(ii) require that a physician providing emergency treatment knows not to disclose restricted information to people not directly involved in the care of the patient.

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