

Title of Nomination: ND State Government HIPAA Coordination Project

Project/System Manager: Jennifer Kunz

Title: Unformation Technology Business

Agency: Information Technology Department

Department: Policy and Planning Division

Address: 600 East Boulevard Avenue -

City: Bismark

State: ND

Zip: 58505-0100

Phone: 701-328-474

Fax: 701-328-3000

Email: jkunz@state.nd.us

CATEGORY: State_IT_Management_Initiatives

Person Nominating (if different): Nancy Walz

Title: Director, Policy & Planning Division

Address: 600 East Boulevard Avenue

City: Bismark

State: ND

Zip: 58505-0100

Phone: 701-328-1991

Fax: 701-328-3000

Email: mwalz@state.nd.us

North Dakota State Government HIPAA Coordination Project

NASCIO Recognition Awards - State IT Management Initiatives Category

Executive Summary

The penalties for non-compliance with the Health Insurance Portability and Accountability Act (HIPAA) can be severe, and meeting compliance with HIPAA is a complex effort. Organizations and government agencies across the country are collaborating to make HIPAA compliance a success.

Although the ND Department of Human Services (DHS) had been working on compliance for over two years, many other agencies and institutions in state and local government needed assistance and coordination among partners was critical. In April 2002, the State Government HIPAA Coordination Project was initiated.

Specific benefits of the project include: the analysis of all potential impacts on state agencies, assistance and guidance to the agencies, the establishment of a communications network for agencies to share HIPAA issues and best practices, and a partnership with state government, local government, and the private sector. Several times, North Dakota was among national state leaders of HIPAA compliance, because of effective coordination and communication of HIPAA efforts.

It has been proven across the country, that HIPAA compliance is best achieved through local and national partnerships. Through North Dakota's project, public and private health care organizations of North Dakota worked together to meet the challenges of this monumental health care regulation. This partnership will continue to be important as additional compliance dates approach, and new HIPAA regulations continue to be issued.

A) Description of project

The North Dakota State HIPAA Coordination Project was initiated in April 2002 to coordinate HIPAA compliance efforts statewide and to ensure that all impacted areas of state government were identified and compliance met. The Health Insurance Portability and Accountability Act of 1996 (HIPAA) is intended to reduce costs and administrative burdens in the health care industry by replacing the many non-standard electronic billing formats currently in use across the nation with a single set of electronic standards that would be used throughout the industry.

HIPAA also includes standards for the purposes of protecting and enhancing the rights of consumers, and restoring trust in the health care system among consumers,



health care professionals, and the multitude of organizations and individuals committed to the delivery of care.

Health care is one of the primary functions of state government, and several agencies (departments, boards, commissions, and institutions) are impacted by HIPAA either directly as a covered agency, or impacted as a supporting agency. Non-compliance with HIPAA requirements is penalized with both civil and criminal penalties.

The work of this project was divided into five major phases:

- In the Planning Phase, the overall strategy for the project was developed. A Project Charter and Project Plan were developed and approved.
- During the Assessment Phase, all state agencies were analyzed for HIPAA impact.
- In the Compliance Planning and Implementation Phase, assistance was, and continues to be, provided from the State Government HIPAA Project Coordinator in the form of tools and resources in multiple areas.
- The Communication and Coordination Phase is largely all of the activities necessary to ensure proper coordination of statewide efforts.
- The Project Management Phase is ongoing throughout the project and includes activities such as status reporting, issue management, budget management, and schedule management.

In November 2003, after the majority of HIPAA-related tasks have been accomplished for the agencies, the project will end. However, a HIPAA coordination and compliance monitoring service will continue to be performed by the Information Technology Department's Policy and Planning Division, in order to ensure ongoing compliance and communication.

B) Significance to the improvement of the operation of government

By bringing impacted agencies together to share their issues, problematic areas, and most importantly, best practices, North Dakota is meeting the requirements of this law effectively and efficiently. The efforts of this project focus on ensuring that all impacted agencies meet compliance requirements and dates, thus avoiding any penalties.

C) Benefits realized by service recipients, taxpayers, agency or State of North Dakota

There were several key accomplishments of this project that benefited state agencies, local government, and other health care organizations:



- Established an Executive Steering Committee, comprised of key agency directors and state legislators. The Executive Steering Committee has been an important role for HIPAA awareness and communication.
- Developed on-line HIPAA Applicability and Coverage Determination Surveys - North Dakota is one of a few states to perform an assessment of this detailed level for both State and Local Government. A total of 105 state agencies, all 53 counties, and several local public health units were assessed.
- A HIPAA Impact Summary Report, which summarized the overall impact on state agencies, was developed and distributed to impacted state agencies and state legislators. The report represents the completion of a comprehensive assessment of state HIPAA impact.

From the report, eight state agencies were determined to be HIPAA Covered Entities:

- Department of Corrections, Division of Juvenile Services
 - Department of Health
 - Department of Human Services
 - ND State University
 - ND University System
 - Public Employees Retirement System
 - University of North Dakota
 - Veterans Home
- Assisted state agencies and local government with submitting an extension for HIPAA transactions compliance. Without the efforts of this project and assistance from the Office of Attorney General, several agencies would have unknowingly not filed for the extension, in addition to several local government functions and private organizations.
 - Organized and facilitated a large training event on Nov. 26th, 2002. The ND HIPAA Coalition's Privacy Workshop was the first free HIPAA training offered to the general public in ND. About 160 people attended, and an additional 150 attended via live web cast.

The recorded event is available at:

<http://www.health.state.nd.us/WebcastHTML/20021126/>.

- The state HIPAA Web Site was completed and launched in December 2002. It is located at www.discovernd.com/hipaa. The web site is a key communications and awareness tool for HIPAA in North Dakota.
- Collected monthly status reports and/or held status discussions from all covered state agencies.



- Regularly organized and facilitated the State HIPAA Communication Committee meetings. State and local agencies attend, and the agencies share information about their efforts and discuss best practices.
- Facilitated monthly meetings of the ND HIPAA Coalition, which proved to be an invaluable communications network for over 100 ND health care entities, public and private.
- The first major HIPAA deadline was for the Privacy standards on April 14, 2003. All seven of the agencies directly impacted by HIPAA were compliant. A Privacy Compliance Verification Report was created for the agencies to verify their compliance.

D) Return on investment

The primary savings from this project are the hours saved by multiple HIPAA project coordinators because they were able to regularly network with others and learn best practices.

It is difficult to measure the ROI with this project. However, the following information justifies the statement above, where project coordinators were able to save hours of work time (and therefore dollars) by regularly networking with others:

- Over 50 HIPAA tools and documents were shared among agencies
- Daily technical assistance was provided to various agencies by the State HIPAA Coordinator, thereby saving time for the agency HIPAA coordinators
- Monthly meetings were set up and facilitated for the agencies, where HIPAA coordinators exchanged valuable, time saving information with each other.
- HIPAA-covered functions were identified in two state agencies and several local government agencies, which would have been overlooked without this project. These agencies were able to acquire best practices from the other agencies and save time, and meet compliance effectively.