

Health Care Story

Revision: 1.2

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Table of contents

1	2
2 Project Overview.....	2
3 Solution.....	3

1.

Warning:

Due to certain client confidentiality requirements we may not be able to mention them, or provide specific information about techniques used.



Health Care Story

2. Project Overview

It is estimated that more than \$.21 of every healthcare dollar is spent on administrative overhead, with an additional \$.10 due to fraud and abuse. The government predicts that Health Insurance Portability and Accountability Act (HIPAA) transactions will reduce administrative costs by at least \$9 billion annually.

President Clinton signed HIPAA into law on August 21, 1996. HIPAA legislation will make an impact on the healthcare industry and fundamentally change the business operations of payers, providers, vendors, and other types of healthcare organizations. Compliance is mandated for September 2002. The goal of HIPAA is to reduce the administrative cost and inefficiency of healthcare by consolidating information system components, mandating data exchange formats, use of code sets, universal identifiers and security.

"Administrative Simplification of HIPAA is the most significant healthcare law to create sweeping changes in the healthcare industry since Medicare. The financial impacts from implementing the required changes are expected to rival and perhaps exceed the cost of fixing the Y2K problem."

- The Department of Health and Human Services

Our project objective was to explore ways to initiate HIPAA compliance into our client's existing product offerings with minimal interruption, while taking advantage of the sweeping opportunities HIPAA will provide.

3. Solution

Initially, current practices were assessed for HIPAA compliance. Based on the findings we explored the use and advantages of XML. As recommended by our client's executives, we produced a strategic XML direction. The XML strategic direction addresses use of XML internally as an application integration agent, and externally as an open alternative HIPAA compliance mechanism. To stay competitive and meet HIPAA regulations, our client's solutions must accept and produce compliant transactions in a secure environment. In addition, we recommended they use XML to look beyond just HIPAA compliance to differentiate itself from the competition.

As a result, we spearheaded several XML-related projects to further promote the organization's strategic directions. To date we have successfully:

- Produced and published the Corporate XML Strategic Direction, which includes strategic as well as project initiatives.
- Performed initial HIPAA readiness impact analysis.
- Produced a HIPAA compliance project definition and overall plan.
- Divided project into manageable sub-projects.
- Identified requirements and approach for representing HIPAA compliant X12 transactions as XML documents.
- Identified requirements and approach for retaining entire contents of HIPAA compliant X12 transactions.
- Introduced and mentored staff with XML and related "open-platform" technologies.
- Produced XML-Schemas and DTDs to promote better heterogeneous inter-application data exchanges.
- Participating in WEDI to promote industry acceptable XML-Schema representations of HIPAA compliant transactions. These schemas are now a source of an initiative to produce a standard industry-wide (HIPAA) XML vocabulary.
- Produced XSL scripts illustrating ways to provide renditions of the HIPAA compliant XML documents into HTML, WML, X12, XEDI and proprietary formats.
- Developed foundation Java-based services that will be used as a framework to process XML documents.