



# A CEO Focus:

## HIPAA as a Driver for the Future of Healthcare

*Healthcare organizations will extend to include physicians, other caregivers, hospitals, alternative care organizations, trading partners, and most importantly, the patient and his/her family — in a true community built on shared information. Information will need to be shared electronically, partnerships will require secured access for those in the extended enterprise, and CEOs will need to understand and embrace the benefits.*

The healthcare “community” is a fragmented system, with multiple constituents and no real sense of an industrywide connection. The Health Insurance Portability and Accountability Act of 1996 (HIPAA) can be seen many ways — as an intrusion, a threat, or an opportunity to connect this fragmented system to promote appropriate sharing of information. Creating a true community within the industry would add tremendous value, and the organization that takes the lead in its development will be a preferred partner for entities throughout the community.

### **Origin and Intent of HIPAA**

HIPAA was designed to protect health insurance coverage for workers and their families when they change or lose their jobs, and to prevent discrimination against employees and their families due to existing medical conditions. In trying to address these challenges, it became clear that healthcare must standardize certain data, including the patient identifier and health plan identifier, and must ensure that the data can be securely and confidentially shared between insurers. The implementation of HIPAA will facilitate the automated exchange of health information in a secure environment, as it provides standards for electronic data interchange (EDI), standardized identifiers, security, privacy legislation, code sets, and the eventual standards for an electronic medical record.

### **Impact of HIPAA on e-Health**

The economics of digital computing, communications, and content convergence brings a promise of change to the healthcare consumer’s experience and to the business conduct of health delivery and financing.

We have seen other industries take advantage of this convergence and embrace this business transformation effectively. The finance and retail industries, for example, have long ago implemented data standards and security methods. With the adoption of the HIPAA standard, health enterprises willing and capable of transforming to digital-technology enhanced, consumer-centric services, and collaborative trading partner relationships can now move from the promise to the reality of superior performance.

### **Expectations of HIPAA: a Critical Risk**

Among the critical risks associated with HIPAA are the varying expectations regarding its effects. Physicians, for example, may see HIPAA as the silver bullet that will resolve their issue of late claims payments from health plans. They might also view HIPAA as a cause of perceived low reimbursements and reimbursement denials.

State governments may see HIPAA as a means to:

- Correct their own inefficiencies
- Correct inefficiencies within the healthcare provider-payer system
- Implement rules through interpretation of this federal legislation.

Clearly, this environment suggests a need to identify the expectations of the healthcare constituents, provide education with respect to these expectations, and impart a sense of reality about these same expectations.

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## **Healthcare Must Prepare for the Future**

Regardless of anyone's HIPAA qualms, the digital transformation of healthcare is underway, driven not merely by governmental requirements, but by the growing access of the consumer to quality healthcare information. As consumers become empowered with a better understanding of disease conditions, wellness maintenance, treatment options, and their rights under state and federal law, they will be armed with effective questions for the physician and health plan. As this occurs, the balance of power will shift and be shared by the physician and the consumer. The office visit will no longer be the exclusive basis for the consumer-physician relationship.

The new physician-patient (consumer) relationship will be based on:

- Access to timely information and a physician ready and able to answer questions and provide advice beyond his/her office
- Ease of referrals, including access to alternative and complementary medicine, which assumes a working knowledge on the part of the physician and his/her staff regarding alternative treatment options
- Simplified and hassle-free appointments, treatment options, and access to one's medical record
- Extended access to Centers of Excellence, physician experts, and alternative providers, when needed.

## **HIPAA and Superior**

Superior will be a leader in the digital transformation of healthcare. Our e-health services begin with strategic e-health business planning, focused on helping clients reap the return on investment available through e-health strategies.

The technical infrastructure to implement e-health solutions includes the following aspects: network and server capabilities, security, integration in leveraging current information systems, and actual Web development. Superior has focused extensively in the area of healthcare information technology and possesses the breadth and depth of resources to

leverage current investments and recommend the appropriate solutions that will support HIPAA standards.

## **Together We Can Achieve the e-Health Community**

The future of healthcare requires data standardization, security and confidentiality, and a digital transformation of our industry. Innovative CEOs who take advantage of implementing e-health strategies early will gain a competitive market position as well as show a reduction in overall costs. Superior's goal is to assist executives in leveraging current investments, understanding HIPAA legislation, and becoming leaders in the digital transformation of their organizations to better reach their consumers, physicians, and business partners.

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