HIPAA Workflow
User Guide

SmartOffice®

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Introduction

The Administrative Simplification Requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) had a major impact on the Insurance and Financial Planning industries. This one act had far-reaching effects on client services practices and imposed strict penalties for violations. While the SmartOffice® system cannot guarantee compliance (this is the responsibility of each individual organization), built into the system are various controls that will assist in preventing casual and inadvertent violations.

There are three areas of validation and cross checking built into the system to assist the users in their efforts to maintain compliancy. These parts of the system can be accessed independently of each other or used in conjunction. The unifying force that touches all three areas is validation. A more complete explanation of validation and its link to Policies, Contacts and Letters will be detailed latter in this document.

The focus of the HIPAA compliancy workflows in SmartOffice is to prevent the marketing of information to a potentially restricted contact. The logic is based on the HIPAA guidelines and requirements imposed by the compliance departments of some of our major corporate clients. The scenario for HIPAA compliancy verification can be initially derived from the Policy area or the Individual Contact area and the final verification is validated while sending a Letter. If a contact/letter combination is found to be in violation of HIPAA, the Letter cannot be delivered to this contact and this verification cannot be overridden while Letters are being processed.

Disclaimer

This document assumes a certain level of familiarity with HIPAA and its guidelines. The design of this document is not meant as a guarantee of compliancy but instead to provide information regarding how the SmartOffice system supports these guidelines. Each organization using this software system and governed by the rules detailed by this Act must be responsible for their own internal compliancy. The information contained within this document is accurate as of the revision date.

Overview of Workflow

Life Insurance Products and Contact Records work in conjunction with each other to form the basis of the HIPAA compliancy workflow in the SmartOffice® system. If a HIPAA protected product is sold to an Individual Contact, whether newly added or pre-existing in the office, validation will automatically check the **Protected Contact** option in the **HIPAA Requirements** section of the **Additional Personal** tab of that contact record. Once the contact is tagged as a protected contact, Letter validation will verify if a particular letter can be delivered to this contact at the time of processing.

The Letter validation process is very specific and follows a stringent set of rules that cannot be altered or overridden. This does not mean that Letters cannot be sent to this contact. It does mean that only certain types of Letters can be sent to this contact. The area of focus is the **HIPAA Protected** section of the Letter Detail dialog box. A Letter can be marked with one of three choices: **N/A**, **Not Protected** and **Protected**, with the default choice for newly created Letters being N/A.

- **N/A:** primarily used for non-solicitation Letters that would not violate the marketing aspects of the HIPAA guidelines. Some examples of these types of Letters are Birthday Greetings, Appointment Confirmations, Holiday Greetings, Monthly Newsletters, etc. Depending on the content of such letters, it is up to each individual organization to determine if a particular Letter could be classified as N/A.
  - Letters marked **N/A** can be sent to all contacts regardless of their HIPAA protected status.
- **Not Protected:** this option should be selected for all solicitation and marketing Letters that may violate HIPAA guidelines. The design of these Letters is to generate additional business for the organization and because the information regarding who might be a willing recipient may have been generated during the Sales process, these Letters should not be delivered to a HIPAA protected contact.
  - Letters marked **Not Protected** can only be sent to contacts that are either not HIPAA protected or have a valid HIPAA clearance. (The functionality of the **HIPAA Clearance** and **Valid Up To** boxes will be detailed later in this document.)
- **Protected:** select this option to deliver Letters to HIPAA protected contacts when communication is required for the proper servicing of these accounts. Although the functionality of this validation is similar to that of the Letters marked N/A, the reason for this classification is related to the HIPAA guidelines. If a HIPAA audit were to be performed and these Letters were lumped together with the N/A Letters, an organization might be found to be in violation. However, if the Letters were instead marked Protected and the auditors investigated the circumstances for the delivery of these Letters, communication regarding the account and account servicing, these types of Letters would most likely be deemed acceptable. Final determination of acceptable practices should be verified with the compliance department of the individual organization utilizing the SmartOffice system.
  - Letters marked **Protected** can be sent to all contacts regardless of their HIPAA protected status.

After the **Protected Contact** option is checked for an Individual Contact, whether manually or through validation after a protected product is sold to a contact, Letter validation will verify if the contact can receive a certain Letter while it is being processed. If a Letter marked **Not Protected** is attempting to be sent to such a contact, it will normally not be permitted unless the **HIPAA Clearance** option is selected and the date in the **Valid Up To** field is in the future. The HIPAA guidelines allow an individual to sign a waiver allowing for further contact for the purpose of making additional sales. This waiver is typically valid for two years from the date of signing and therefore the **Valid Up To** field automatically inserts a date two years in the future.

Details of Workflow

In order to ensure HIPAA compliance with Letter delivery to contacts, the **HIPAA Requirements** option on the contact Additional Personal tab must be properly marked. This can be performed by either manually marking the checkbox for the contact(s) or marking the **HIPAA Protected** checkbox on the Product Detail tab, of an Insurance product, and running an Office Level validation. All contacts that have the role of either Primary Insured or Insured on a protected product will become HIPAA protected after validation. In order to send **Not Protected** Letters to a HIPAA protected contact, the **HIPAA Clearance** option must be checked and a date in the future must be present in the **Valid Up To** field for the contact. Figure 1 depicts the HIPAA Requirements section of the Additional Personal tab of a contact. This particular contact is a HIPAA protected contact that has a valid HIPAA Clearance.

Figure 1

A contact with HIPAA requirements similar to the example above will be able to receive all Letters, no matter the status, through the date present in the **Valid Up To** field. Once this date passes, this contact will no longer be able to receive **Not Protected** Letters until a new future date is entered in the field.

The most efficient means of validating a group of contacts is to make the Product protected and then all current and future individuals who are insured will become HIPAA protected contacts. Figure 2 details the contacts who are insured with the Life Product – American Level 10. Although they were insured prior to making this product a HIPAA protected product, after validation they all became HIPAA protected contacts.

Figure 2

After a Form Letter is created, the HIPAA protected status can be selected. Depending on what status is selected, the various workflows will process during Letter validation and determine if a particular Letter can be delivered to particular contacts. Figure 3 displays the Letter Detail dialog box and the **HIPAA Protected** options.
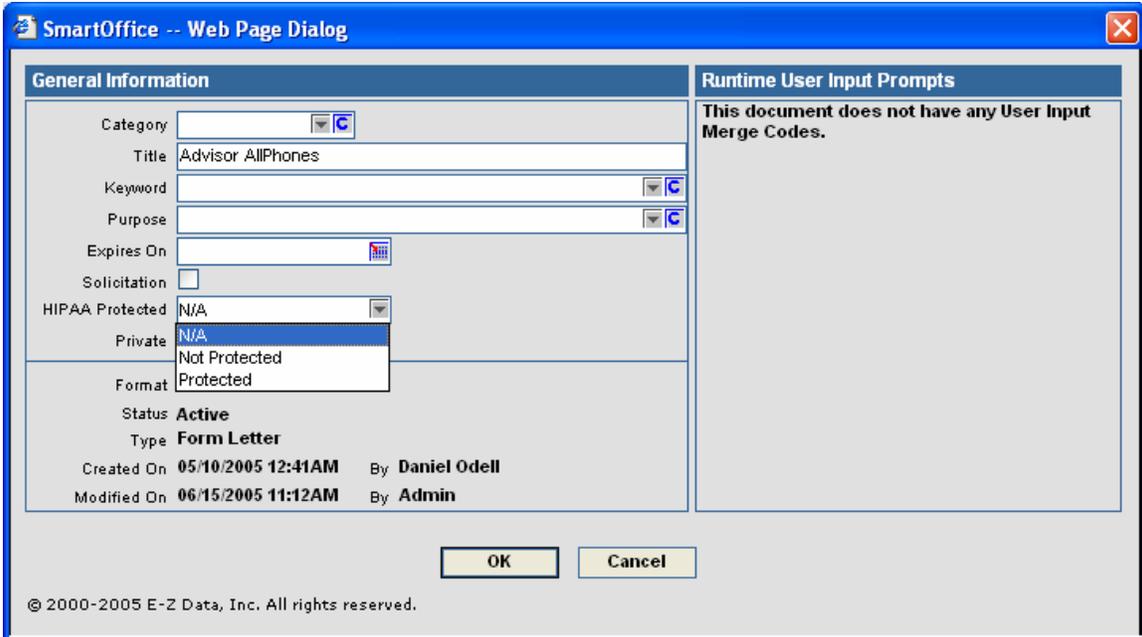

Figure 3

If a Letter that is designated as **Not Protected** cannot be sent to a particular contact because either the contact is HIPAA protected or the date in the **Valid Up To** field for the **HIPAA Clearance** has past, then the dialog box in Figure 4 will display at the time of Letter processing and validation. This read-only dialog box does not allow the user to override the HIPAA protection for the contact(s) while processing Letters. The user has the option to continue or cancel the processing of Letters at this time.
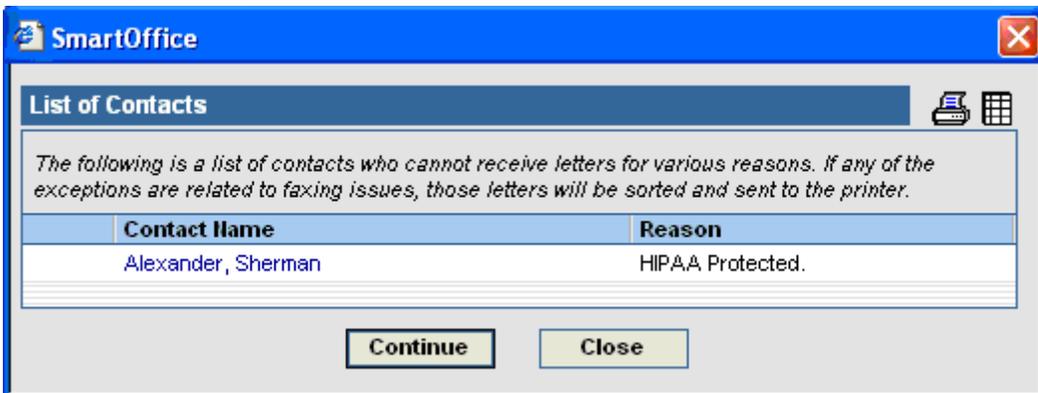

Figure 4

If the user selects the **Continue** button, then any other Letters that were to be processed with the one for the protected contact(s) will continue to be processed. However, no Letters will be processed for any contact on the list of protected contacts. If the user selects the **Close** button, no Letters will be processed.