



# HIPAA Standards for Adoption

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*Daniel Kalwa  
Deputy Director  
National Standards Group*



# Office of Burden Reduction and Health Informatics

- The Centers for Medicare & Medicaid Services (CMS), Office of Burden Reduction and Health Informatics (OBRHI), National Standards Group (NSG), on behalf of the Secretary of the U.S. Department of Health and Human Services HHS, adopts national standards and operating rules under the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act (HIPAA) of 1996.



# Standard Transactions and Implementation Specification

- Implementation Specifications are necessary for each HIPAA Transaction.
  - They contain, at a minimum, the data and format conformance requirements for a transaction.
  - No specification for the transaction, then no adoption.
- An Implementation Specification is required for each standard transaction.

Defined in 42 USC §1320d–2(2) -

- (A) Health claims or equivalent encounter information.
- (B) Health claims attachments.
- (C) Enrollment and disenrollment in a health plan.
- (D) Eligibility for a health plan.
- (E) Health care payment and remittance advice.
- (F) Health plan premium payments.
- (G) First report of injury.
- (H) Health claim status.
- (I) Referral certification and authorization.
- (J) Electronic funds transfers.

# Operating Rules and Implementation Specifications

**“(T)he necessary business rules and guidelines for the electronic exchange of information that are not defined by a standard or its implementation specifications as adopted for purposes of this part.”**

**• 42 U.S. Code § 1320d(9)**

- Operating rules add additional business requirements to standard transactions making it easier to implement and standardize administrative transactions across covered entities.
- The operating rules explain how to use an implementation specification when the specification itself does not.

# Standards Adoption Process

- The Office of Burden Reduction and Health Informatics (OBRHI), National Standards Group (NSG), on behalf of the Secretary of the U.S. Department of Health and Human Services (HHS), has the authority for adopting national standards and operating rules.
- All adopted standards must support the Secretary's objective to reduce the administrative costs of providing and paying for healthcare. 42 U.S.C 1320d-1(b).
- The Secretary must rely on the recommendations of the National Committee on Vital and Health Statistics (NCVHS). 42 U.S.C 1320d-1(f).
  - The Secretary relies on the industry to provide NCVHS with sufficient data to ensure that any recommended standard will ultimately reduce administrative costs.
- Rule making is required to adopt new or updated standards and operating rules.
  - Rule making requires NSG to assess all costs and benefits (including economic, environmental, public health and safety effects, distributive impacts, and equity) of any proposed standards and available regulatory alternatives and to select regulatory approaches that maximize net benefits.

# Testing Modifications to Standards

## Testing



- Under HIPAA a modification means a change to an already adopted implementation specification.
- If a covered entity believes there is a need to modify an adopted standard they may request an exception from the Secretary to test a proposed modification.
- All covered entities involved in the exception must volunteer.
- The purpose is to test whether the modification improves the efficiency and effectiveness of the health care system by leading to cost reductions or improvements in benefits from electronic transactions.
- 45 CFR §162.940 outlines the regulatory requirements for testing. Additional guidance on the topic may be found in the [Go-To-Guidance Letters](#) section of our website.

# Why the Exception? Why testing?

- In the beginning this was easy – electronic is obviously better than paper.
  - Now we are at incremental steps
- The primary goal is to develop financial and administrative transactions that:
  - Improve the operation of the administrative side of the health care system
  - Reduce administrative costs in the health care system
- Every new or updated implementation specification needs to answer the above.
- The exceptions process is a way for covered entities to conduct full testing of new specifications without compliance worries.
- It is also a way to get public information on the test results.

# Final Points for Standards Consideration

- Historically, Implementation Specifications have been adopted in batches.  
Should this be true going forward?
- Why not multiple “standards” for a transactions?
  - The goal is to reduce costs and improve efficiency, multiple standards for the same transaction are difficult to support from that perspective.
  - Incumbent upon the industry to make the argument for why more than one “standard” would lead to decreases in cost or increases in efficiency.
- Transaction-by-transaction, staggered implementation?
  - Incumbent upon the industry to make recommendations that can be successfully implemented.
  - Implementation guides must address how to ensure that transactions can “work together” even if an updated version is adopted for one transaction but not another at the same time.
- Health Plans bear the burden of supporting and maintaining all standards regardless of provider adoption.
  - Where does the industry see those costs going?



# Thank You

Questions may be directed to CMS via email:

[AdministrativeSimplification@cms.hhs.gov](mailto:AdministrativeSimplification@cms.hhs.gov)

Requests for an exception may be submitted to:

[CMSAdministrativeSimplificationException@cms.hhs.gov](mailto:CMSAdministrativeSimplificationException@cms.hhs.gov)

Or:

National Standards Group  
U.S. Department of Health and Human Services  
Mailstop DO-01-10 7500 Security Blvd  
Baltimore, MD 21244.