

The Privacy Rules of the Health Insurance Portability and Accountability Act of 1996 *by: Tina Thomas, Compliance Specialist*

Over the past few years, the privacy of information, and the protection of that privacy, has been a very hot topic. This is not surprising, considering that we live in a highly technological age in which information can easily be transferred from one place to another. If you have watched the news or read a newspaper recently, you are probably aware of the federal patient privacy protection law that went into effect on April 14, 2003. The Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) adopted standards to protect the security, confidentiality and integrity of health information. These standards are known as the HIPAA Privacy Rule and they provide the first comprehensive federal protection for the privacy of health information.

The intent of the federal standards is to give individuals more control over their health information, to set boundaries on the use and disclosure of health information, and to create safeguards to protect the privacy of the information. Insurance companies, as well as health care providers, are covered under this rule and must comply with its requirements.

Although originally written to govern the use and disclosure of what is termed “protected health information” (“PHI”) in electronic form, the rule was modified to protect information in all forms, whether electronic, written, or oral. PHI is health information that relates to the past, present or future health status or health care of an individual, in which the individual to whom the information applies can be specifically identified. This type of information includes demographic and financial information, such as address, phone number and social security number, as well as actual health information, such as medical claims and medical records.

It is necessary for Western Mutual Insurance Company (“WMI”) to use the PHI of our insureds in order to perform our normal insurance operations. Although WMI is allowed to use and disclose information for normal operations, we are required to take, and have taken, reasonable steps to limit the access of information to only those employees or business associates that need the information to perform their job responsibilities. We have also limited the amount of information that is accessed to the minimum necessary that is needed.

In addition to developing written administrative policies to ensure the protection of private information, WMI has also implemented procedures to ensure that only the minimum amount of information is disclosed during telephone calls involving claims or eligibility status. Even upon verification of the caller’s identity, we do not disclose sensitive information such as diagnosis or specific procedure codes. Although this type of security might seem unfriendly or be frustrating to some insureds, it is necessary to comply with the law.

One of the major benefits that this rule created for the consumer was the requirement that a written authorization must be obtained before PHI can be used or disclosed for purposes other than normal operations. For example, a covered entity can no longer give a list of their consumers’ names to another company in order to help the other company market their products,

unless they first obtain permission from each consumer. I should point out that disclosing information in this manner is something that WMI has never done, nor do we plan on doing it in the future.

The rule also created rights for individuals as follows: (1) The right to receive a privacy notice from a covered entity that advises you of their privacy policy, your privacy rights, and how your information is used and disclosed; (2) The right to access your information, including enrollment forms, medical records, and claims, and the right to request that corrections be made to the information; (3) The right to request restrictions on the use and disclosure of your information; (4) The right to receive an accounting of any disclosures that are made for purposes other than normal health care operations; and (5) The right to file a complaint if you think that your privacy has been violated.

Although WMI now has stricter measures in place to protect private information, it has always been our policy to keep our insureds' information confidential, and we will continue to do so. If you have any questions about this information, or you would like more information regarding your privacy rights, please contact me at (801) 263-8000 (ext. 115).