

abs tpa Today

November 2013

Happy
Holidays
from ABSI

As the Thanksgiving Holiday approaches, all of us at Automated Benefit Services would like to extend a heartfelt **thank you** for your business and friendship. We truly appreciate our agent and client community and look forward not only to serving you the remainder of this year, but also partnering with you in 2014 to help you achieve your new year's goals and objectives.

In observance of Thanksgiving, please note that our offices will be closed Thursday and Friday, November 28 - 29, and will reopen Monday, December 2, 2013.

For additional details, contact your sales representative:

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Business Associate Agreement Contracts Updated

HHS Expands Definition of Business Associate for PHI Rules

Since 2009, the US Department of Health and Human Services (HHS) has required the use of a Business Associate Agreement (BAA) in order to establish "rules of conduct" in handling electronic Private Health Information (ePHI) when any Covered Entity (health insurance carrier and plan sponsor) utilizes the services of an outside vendor.

In January of this year, the HHS modified the BAA requirements—issuing "omnibus" regulations and modifying the HIPAA / HITECH privacy, security, enforcement and breach notification rules. The deadline for new BAAs to comply with this HIPAA Final Omnibus Rule ("Rule") was September 23, 2013. However, BAAs that were in place prior to January 25, 2013, and complied with original laws—and were neither renewed nor modified from March 26, 2013 on—have an extension to comply with the new language and regulations either upon renewal or September 23, 2014, whichever comes first.

The original Business Associate Agreement rules dictate that Covered Entities, Business Associates (BAs) and Business Associate Contractors are required to:

- Ensure the confidentiality, integrity, and availability of all ePHI
- Protect against any reasonably anticipated threats or hazards of ePHI
- Protect against any reasonably anticipated uses or disclosures of ePHI not permitted or required under the Privacy Rule
- Ensure their workforce complies with the Security Rule

The original guidelines also require the entities identified above to provide in the handling of ePHI:

- Administrative safeguards
- Physical safeguards

- Technical safeguards
- Organizational requirements
- Policies, procedures and documentation requirements

The Rule now expands the definition of the BA to include vendors that create, receive, maintain, or transmit PHI on behalf of a Covered Entity, even if they never access the PHI; the Rule also creates new categories of BAs, including businesses that perform patient safety activities, health information organizations, e-prescribing gateways, data transmission services requiring PHI access on a routine basis, and personal health record providers for covered entities. In addition, the Rule now sweeps sub-contractors into the net—subcontractors of BAs performing BA functions are now required to have a separate BAA contract. As a result, the Rule requires a chain of compliance starting at the HIPAA-covered entity, through the BA, and ending with the lowest-tier subcontractor. The Rule requires changes to BAA contracts and changes to data security breach notification triggers and procedures.

New BAA contracts with downstream BAs must:

- Impose data security requirements and applicable privacy requirements on the downstream vendor
- Assert the upstream entity's right to terminate the downstream vendor for security or privacy violations
- Flow down data breach notification requirements
- Require the downstream vendor to include these terms in agreements with their subcontractors

In order to remain compliant with the Rule, the ABS Client Services Team will soon be reaching out to all groups in order to execute modified documents.

If you have any questions or require assistance, please contact ABS Client Services at (586) 693-4300.

ABS Client Services Team Concludes Compliance Meetings

PPACA Acknowledgment and Authorization Forms Due

The ABS Client Services Team met with each ABS group during the months of September and October in order to review changes to plans and plan documents necessary to ensure 2014 PPACA compliance.

Group contacts must complete and submit the PPACA Compliance Acknowledgment and Authorization form as soon as possible to allow adequate time for changes to be built into the system for January 1, 2014 implementation.

abs AUTOMATED BENEFIT SERVICES

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