
FEHB Program Carrier Letter

All Carriers

U.S. Office of Personnel Management
Office of Insurance Programs

Letter No. 2000- 49

Date: October 26, 2000

Fee-for-service [43] Experience-rated HMO [44] Community-rated [44]

SUBJECT: Health Insurance Portability and Accountability Act: Standards for Electronic Transactions and Standards for Privacy of Individually Identifiable Health Information

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) includes provisions to address the need for standards and requirements to facilitate the electronic transmission of certain health information along with the need for minimum national health care privacy standards.

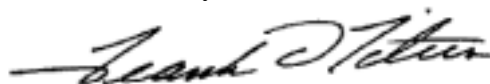
On August 17, 2000, the Department of Health and Human Services (HHS) published final regulations in the Federal Register (65 FR 50312) adopting standards for eight electronic transactions and for code sets to be used in those transactions. The final regulations also contain requirements concerning the use of these standards by health plans, health care clearinghouses, and certain health care providers.

On November 3, 1999, HHS published proposed regulations in the Federal Register (64 FR 59918) to set standards to protect the privacy of individually identifiable health information maintained or transmitted in connection with certain administrative and financial transactions. The proposed rules would apply to health plans, health care clearinghouses, and certain health care providers. We expect these proposed rules will be finalized shortly.

We are beginning to receive questions on the impact of the two regulations on the Federal Employees Health Benefits (FEHB) Program. Please note that neither regulation has special provisions for the FEHB Program. The regulations are treating us like everyone else in the health care system. You will need to follow all the regulatory requirements for your FEHB Program business the same as you will for your other lines of business.

If you have any questions, please contact Jay Fritz of my staff at 202/606-0004.

Sincerely,



Frank D. Titus
Assistant Director
for Insurance Programs

NOTE: To view these proposed rules and get other information about HIPAA, go to HHS' administrative simplification web page: <http://www.aspe.hhs.gov/admsimp>.