
FEHB Program Carrier Letter

All Carriers

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

Letter No. 2001-20

Date: June 21, 2001

Fee-for-service [15] Experience-rated HMO [18] Community-rated HMO [19]

SUBJECT: HIPAA Workgroup

The Administrative Simplification subtitle of the Health Insurance Portability and Accountability Act (HIPAA) requires health plans, health care clearinghouses and certain health care providers to use standards for:

- Electronic administrative and financial health care transactions;
- Unique identifiers for individuals, employers, health plans and health care providers; and
- Protecting privacy of individually identifiable health information and electronic signature use.

[Regulations](#)¹ establishing standards for eight electronic transactions became final on October 16, 2000, with an effective date of October 16, 2002. The final privacy regulation became effective on April 14, 2001, with an effective date of April 14, 2003.

The HIPAA electronic transactions, privacy and (soon to be issued) security regulations will require all of us to examine our operations and modify how we conduct business. Although published reports seem to indicate that changes and modifications to the privacy rules may be forthcoming, it is certainly appropriate to begin active discussions on how these regulations will impact the Federal Employees Health Benefits (FEHB) Program.

While we each have issues and concerns that are unique to our respective organizations, we have much in common. To facilitate work on these common issues, we'd like to form a HIPAA workgroup, and are asking for volunteers. We anticipate holding our first meeting in late July at OPM, and to meet on a regular basis over the next two to three years, as additional regulations are issued, and to resolve ongoing implementation concerns. The details of how the group will operate and conduct its business including agenda items and topics to be addressed will be determined by agreement of the members at that first meeting.

The workgroup needs to reflect the wide variety of health plans that make up the FEHB Program. In addition, continuity and commitment are important if the workgroup is to succeed. While we certainly hope for a good response, we may not be able to accommodate all that wish to participate. Please know that your questions will be

¹ See <http://aspe.os.dhhs.gov/admsimp>.

answered, and that all information and work products from the workgroup will be made available to all.

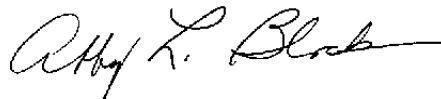
As a starting point for our discussions, the following topics have been suggested:

- ◆ Application of Gramm-Bliley (GLB) to FEHB plans
- ◆ “Consent” and its role in the FEHB
- ◆ Potential standardization of content and delivery of “Notice”
- ◆ Standardized transactions, especially as it relates to enrollment
- ◆ EOB distribution
- ◆ OPM’s role with respect to Protected Health Information
- ◆ FEHBAR 1652.224-70, Confidentiality of Records (Section 1.6 in all FEHB contracts).

We understand that some carriers are sending surveys and questions on HIPAA preparedness to our OPM office in Macon, Georgia. The Office of Insurance Programs is the central point of contact for all HIPAA/FEHB issues and interactions. If you have any questions, suggestions, or wish to volunteer for the workgroup, please contact Laurie Bodenheimer or Jay Fritz of my staff. Both may be reached by phone at (202) 606-0004. Laurie's email is lrbodenh@opm.gov; Jay's is jdfritz@opm.gov.

We look forward to hearing from you.

Sincerely,



Abby L. Block
Assistant Director
Office of Insurance Programs