An ounce of prevention... is worth a pound of cure.
What is HIPAA?

To improve the efficiency and effectiveness of the health care system, the Health Insurance Portability and Accountability Act (HIPAA) of 1996 included a series of “administrative simplification” provisions that required the Department of Health and Human Services (HHS) to adopt national standards for electronic health care transactions. By ensuring consistency throughout the industry, these national standards will make it easier for health plans, doctors, hospitals and other health care providers to process claims and other transactions electronically. The law also required security and privacy standards in order to protect personal health information.

Who must comply to HIPAA?

As required by HIPAA, the final regulation covers health plans, health care clearinghouses, and those health care providers who conduct certain financial and administrative transactions electronically. The provisions of the final rule generally apply equally to private sector and public sector entities.

When is the deadline for compliancy?

As required by the HIPAA law, most covered entities have two full years — until April 14, 2003 — to comply with the privacy rule’s provisions. The law gives HHS the authority to make appropriate changes to the rule prior to the compliance date. Small health plans have until April 14, 2004 (small health plans are defined as having less than $5 million in annual receipts).

What kind of information is protected?

All medical records and other individually identifiable health information used or disclosed by a covered entity in any form, whether electronically, on paper, or orally, are covered by the final rule.

What measures must be taken to protect information?

The Privacy Rule generally requires covered entities to take reasonable steps to limit the use or disclosure of, and requests for protected health information (PHI) to the minimum necessary to accomplish the intended purpose. The minimum necessary standard is intended to make covered entities evaluate their practices and enhance protections as needed to prevent unnecessary or inappropriate access to PHI. It is intended to reflect and be consistent with, not override, professional judgment and standards. Therefore, it is expected that covered entities will utilize the input of prudent professionals involved in health care activities when developing policies and procedures that appropriately will limit access to personal health information without sacrificing the quality of healthcare.
Who enforces HIPAA?

The Department of Health and Human Services will be responsible for determining if institutions are HIPAA compliant as well as assessing penalties and fines for violations. In addition to HHS, institutions should be concerned with the potential of private lawsuits citing HIPAA violations.

What are the penalties for non-compliance?

**Civil penalties.** Health plans, providers and clearinghouses that violate these standards will be subject to civil liability. Civil money penalties are **$100 per violation**, up to **$25,000 per person**, per year for each requirement or prohibition violated.

**Federal criminal penalties.** Under HIPAA, Congress also established criminal penalties for knowingly violating patient privacy. Criminal penalties are up to **$50,000 and one year in prison** for obtaining or disclosing protected health information; up to **$100,000 and up to five years in prison** for obtaining protected health information under “false pretenses”; and up to **$250,000 and up to 10 years in prison** for obtaining or disclosing protected health information with the intent to sell, transfer or use it for commercial advantage, personal gain or malicious harm.
About Datum

Datum Filing Systems has been designing and manufacturing filing, storage and office furniture solutions for the medical industry for more than 30 years. Based in Emigsville, Pennsylvania, Datum is a family owned and operated company that offers a full line of products designed to meet virtually any office furnishing need or storage application.

Dealers across America offer Datum products in addition to planning, moving and installation services. In-stock distributors coast to coast offer prompt delivery.

Lifetime Warranty On All Products

Datum Filing Systems warrants to the original purchaser for the life of the product so long as original purchaser is the owner and possessor of the product that the product will be free of any defect in materials or workmanship and will provide, for a period of two years from date of shipment, free of charge, all parts and labor at the location of the product to repair or replace any part of the product that fails because of such defect.

After two years from date of shipment, labor will not be provided. This warranty does not include defects to the product resulting from accident, misuse, improper installation or operation, normal wear, neglect, unauthorized repair or alteration. The purchase of this product shall constitute purchaser’s agreement that the sole remedy for any breach of warranty shall be such repair or replacement as expressly provided above. Datum Filing Systems in no event shall be liable for any incidental or consequential damages arising out of the use or inability to use the product for any purpose whatsoever.