HIPAA COMPLIANCE IN ACCOUNTS PAYABLE

6 September 2019

Abstract

This paper applies HIPAA regulations to the accounts payable department and discusses the benefits of payables automation as it relates to HIPAA Compliance

iPayables

Your AP department works hard, but HIPAA compliance is difficult. Healthcare is a complex industry with so many branches, offices, and departments spread out, it's hard to keep everything accessible and secure. And yet, accessibility and security are the two most important goals of meeting HIPAA compliance.

Let's say a treatment center, the business associate of a hospital, misclassified a treatment for a celebrity which resulted in the medical records mistakenly showing he was prescribed opioid addiction medication instead of his actual medication for high blood pressure. About a month later, the celebrity sees the mistake on a bill sent to him and wants to find out what other documents the hospital has with this incorrect information on it, and who has seen this information (in case anyone is tempted to spill it to the tabloids).

Can the celebrity ask for all that? And do those requests extend to the accounts payable department?

Yes and yes. According to 45 CFR § 164.524 of the HIPAA privacy rights, patients have a right to request and access records that pertain to their medical history, both paper and electronic. However, collecting every paper that's been processed with someone's name, from testing labs to the accounts payable department that processes the invoice, is a near impossible feat. Yet, legally, it has to be done.

By the time the celebrity caught the mistake, the business associate treatment center already sent the same false information on the invoice that went to the hospital's payables department and a clerk there is fascinated by his (mistaken) discovery of the celebrity's addiction. How is the hospital supposed to find and correct all the information necessary?

There is a way to make that request easier to process: HIPAA Compliant Accounts Payable Automation. With a HIPAA compliant automation process, your AP department would have all the information from every invoice easily searchable in one place, so you would be able to find any invoices with our celebrity's name. In addition, those invoices would show who has viewed those invoices, so you can have a conversation with the fascinated clerk.

> "iPayables greatly simplifies HIPAA compliance and increases efficiency" – Ken Armstrong, Consultant at HIPAA One

In addition to simplifying the process of tracking down patient information, AP automation also improves the HIPAA audit experience. Today, with the known technology available, paper is an eyesore to auditors who know there are solutions that would make their and your job easier. With a fully automated AP department, your invoices are in one, easily accessible and searchable place, duplicate invoices are caught and corrected in the system, purchase orders are more accurately matched, payments are being made on time, and, most importantly, you can easily show how your processes and abilities comply with HIPAA. With an accounts payable process automated from start to finish, audits don't have to be ominous and impending. Nothing can make audits fun, but AP automation helps you pass with flying colors.

There is, however, a catch with automation. HIPAA is extensive, it doesn't stop at just the primary healthcare facility. As implied in our earlier example, the regulations of HIPAA also apply to business associates and sub-contractors of HIPAA regulated businesses. These regulations were expanded and strengthened in the 2013 Omnibus Rule, which makes business associates liable under HIPAA, as well as allows the government to enact a tougher enforcement of these rules. This is very important for individual departments as well, such as accounts payable or IT, that may be working with other businesses to outsource or automate.

There are three components of the HIPAA Security Rule: administrative, physical, and technical. This is important, as they all apply when gaining a new business associate, such as an accounts payable automation provider.

1. **Administrative**: Your department will need a formal privacy procedure, as well as a privacy officer to manage HIPAA compliance and data security. In addition, the automation provider will have to sign a business associate's agreement that outlines the HIPAA security standards and the employees affected by the automation will need a new training program and plan of action in case of a breach or emergency. Luckily, as mentioned earlier, HIPAA Compliant AP automation does simplify the annual audit, which is part of the administrative component.

2. **Physical**: While AP automation doesn't change where your computers are kept, or who may have physical access to them, it does take care of the accounts payable department's biggest physical trail: paper. HIPAA Compliant accounts payable automation eliminates paper, making patient information less accessible to those without proper approval.

3. **Technical**: Start-to-finish accounts payable automation helps protect sensitive information by requiring frequent password changes for the supplier portal that grants access to the invoices. Because of this, it's harder for unauthorized personnel to gain access to sensitive patient information, like the prescribed medicine of our celebrity from earlier, however, if they did gain access to it, we can see that they did. AP automation also ensures the information is put in correctly, matches invoices to the purchase order, and protects information once it's in the system.

While these three components help break down HIPAA to make compliance easier, it's important to be thorough in checking that your AP department meet each condition of the HIPAA regulations. In our experience, these are three of the most often missed HIPAA requirements in accounts payable in healthcare:

1. **At a patient's request, find any personal information that may be on any invoice.** This is probably not possible with just paper. At a minimum, image every invoice and use OCR or a very thorough indexing process to capture any personal information so you can find those documents for patients that request them. Your automation system must be able to find that information wherever it may exist on any invoice.
2. **Be able to track who has seen that invoice.** Short of having a viewed log attached to every invoice, there's no realistic way to do this without automation. Your automation system must be able to list every person who has seen the invoice with the patient's personal information on it.
3. **Be able to change the information.** If the patient requests inaccurate information be changed, you really should be able to change that information. This may be as simple as redacting a line on the invoice with a sharpie, but a record should be kept of any changes to show what action was taken. Your automation system must be able to change information or flag what needs to be changed.

iPayables understands that meeting the requirements of HIPAA compliance is easier said than done because iPayables is also audited by third party for HIPAA Compliance. HIPAA audits are not any easier of a process for business associates, but we work with our HIPAA auditors to ensure that our customers can feel confident during their HIPAA audits- it's one of the reasons some of the largest companies in Healthcare use iPayables.

"Automating an error prone, paper-based process with a solution like iPayables greatly simplifies HIPAA compliance and increases efficiency. By leveraging technology to index, search, and track documents throughout the AP process, Covered Entities and Business Associates alike can minimize their exposure to costly errors, and misfiled paperwork. iPayables leverages technical controls such as Data Loss Preventions, Role Based Permissions, and detailed logging to meet the latest threats and regulatory requirements." – Ken Armstrong, Healthcare Security and Privacy Consultant at HIPAA One.

While HIPAA is a complex set of regulations, the health industry is accustomed to dealing with complex systems. Most of the industry already has systems in place to protect patients, and these navigate the complexity of different branches and departments found in hospitals and healthcare systems. While compliance is paramount, it's important to recognize that payables automation is not a "one-size-fits-all" product. The company that helps you automate your payables processes should be able to fulfill your goals of automation (increased efficiencies, visibility, control), without compromising the levels of security or complexity required for HIPAA compliance. Though not every company's solution is made for such a high level of complexity, a high-quality HIPAA compliant automation solution adds to the levels of security in place, helping your company run more smoothly and stay within the lines of HIPAA.

Whatever your reason may be for looking to automate your AP department, take that opportunity to ensure that those processes are HIPAA compliant. Automation, like any advancement, is meant to make your life easier, not more difficult, and that includes maintaining HIPAA compliance. With start-to-finish HIPAA Compliant automation, your organization can refocus manual efforts from the payables department to patient care and other, higher value efforts, all while feeling confident that your payables group is now HIPAA compliant like the rest of your organization.

This article was written by iPayables, Inc. If you have any questions regarding these steps or AP Automation, please feel free to contact us at 866-874-7932 or https://www.ipayables.com/contact/

Stay connected with iPayables:

Facebook https://www.facebook.com/ipayables

Twitter https://twitter.com/ipayables

LinkedIn http://linkedin.com/company/ipayables