

Contingency Planning: Addressing Critical Business Processes That Support Implementation of HIPAA Transactions

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Overview

- Definitions
- Risk Analysis
- Analyzing Risk Relative to HIPAA Impact
 - Identification of Critical Business Processes
 - Identification of Potential Failures
 - Business Impact Analysis
- Minimum Acceptable Levels
- Identification of Alternatives/Contingency
- Develop The COOP
- Testing
- Training & Updating the Plan
- Examples

Definitions

- **DISASTER RECOVERY PLAN:**

The document that defines the resources, actions, tasks and data required to manage the business recovery process in the event of a business interruption. The plan is designed to assist in restoring the business process within the stated disaster recovery goals.

Definitions

- **CONTINGENCY PLAN:**

A plan used by an organization or business unit to respond to a specific systems failure or disruption of operations. A contingency plan may use any number of resources including workarounds, an alternate work area, a reciprocal agreement, or replacement resources.

Definitions

- **DISASTER RECOVERY PLANNING:**

The technological aspect of business continuity planning. The advance planning and preparations that are necessary to minimize loss and ensure continuity of the critical business functions of an organization in the event of disaster.

SIMILAR TERMS: Contingency Planning; Business Resumption Planning; Corporate Contingency Planning; Business Interruption Planning; Disaster Preparedness.

Definitions

- **CONTINGENCY PLANNING:**

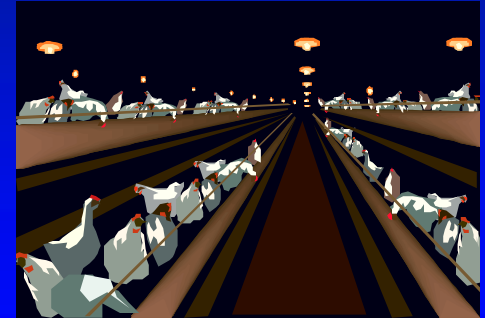
Process of developing advance arrangements and procedures that enable an organization to respond to an event that could occur by chance or unforeseen circumstances.

Definitions

A COOP provides guidance on the system restoration for emergencies, disasters, mobilization, and for maintaining a state of readiness to provide the necessary level of information processing support commensurate with the mission requirements/priorities identified by the respective functional proponent. This term traditionally is used by the Federal Government and its supporting agencies to describe activities otherwise known as Disaster Recovery, Business Continuity, Business Resumption, or Contingency Planning.

Definitions

- For consistency, use Continuity Of Operations Plan (COOP)
- COOP can be inclusive of all activities associated with previous terms
- Organizational readiness begins with clear recognition, understanding, and commitment to the scope of your COOP
- You get what you pay for



Risk Analysis

- How likely is it to occur ?
~ *and* ~
- What impact would it have ?

Risk Analysis

- Specify probability and criticality
 - Product of: (probability) x (criticality)
 - Probability: chance that the future event will occur
(if present, it's a problem, not a risk)
 - Criticality: the impact of a future event
(no impact = no risk)

Risk Analysis

- Degrees of Criticality
 - High – total failure or serious degrading of business function
 - Moderate – impaired performance
 - Low – little impact, but more than none
 - More ranges may be appropriate

Analyze Risk Relative to HIPAA

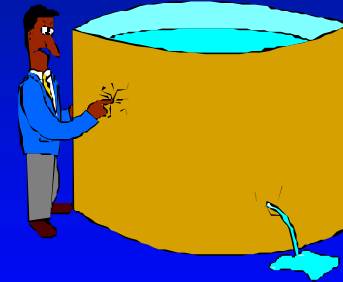
- Use accurate stats for your operations
 - Number of beneficiaries
 - Number of providers
 - Volume of transactions (by provider type, if possible)
 - \$ value of transactions
 - MCOs
 - Helpline/Hotline call volume
 - Payment cycles
 - Waiver programs
 - Contractors' roles
- Are there state-level coordination issues?

Identification of Critical Business Processes

- Identify events with potential to degrade ability to do business
 - Eligibility - Inquiry & Response
 - Beneficiary Enrollment / Disenrollment
 - Authorization – Request & Response
 - Claim / Encounter
 - Remittance / Payment
 - Claims Status - Inquiry & Response

Identification of Potential Failures

Describe expected outcome of each event:



- Eligibility

- Inquiry not possible (receipt, validation, processing)
- Response not possible (generation, translation, transmission)

- Enrollment / Disenrollment

- Enrollment not possible (generation, translation, transmission)
- Disenrollment not possible (generation, translation, transmission)

- Authorization

- Request not possible (receipt, validation, processing)
- Response not possible (generation, translation, transmission)

Identification of Potential Failures

- Claim
 - Claim receipt not possible (receipt, translation)
 - Claim processing not possible (validation, adjudication)
- Remittance / Payment
 - RA not possible (generation, translation, transmission)
- Claim Status
 - Status inquiry not possible (receipt, validation, processing)
 - Status response not possible (generation, translation, transmission)

Identification of Potential Failures

- Identify users and areas likely and seriously affected
 - System areas modified but not tested thoroughly
 - System areas tested only internally (not tested via actual B-2-B)
 - Areas of end-user unfamiliarity (new processes, new outputs, new interfaces)
 - Trading partner issues (process, product)
 - Multiple degradations/failures, source of problem not easily determined
 - Trickle down effect, identify other business associates affected

Business Impact Analysis

- Identify business process affected
- Determine tolerance level if function(s) are degraded, disrupted, or completely unavailable

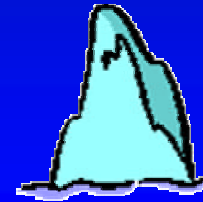
Business Impact Analysis

- Analyze process and ask “how BAD is it (really), if:”
 - Providers can't determine if patients are eligible, or what they're eligible for ?
 - Recipients can't get enrolled into a health plan ?
 - Medical services can't be authorized ?
 - Claims aren't received electronically ?
 - Claims can't be processed ?
(validated, adjudicated, rejected, archived, etc.)
 - Providers can't be paid ?
 - Providers can't tell what the status of a claim is ?

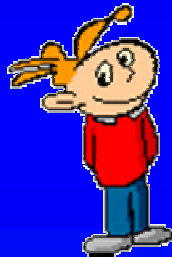
What Is The Tolerance?

- Determine risk actions to be taken based on varying levels of tolerances for critical processes

- Accept risk
(do nothing)



- Watch it
(monitor)



- Mitigate
(reduce criticality and/or probability)



- Plan for contingencies

Business Impact Analysis

- Document risk analysis (description and rationale)
- Prioritized listing of critical business processes
- Business processes should be identified, evaluated, and then ranked in order of importance

Business Impact Analysis

		Business Process:	_____	
Dependency	Probability	Duration	Criticality Impact	Total Risk Score
Dep #1				
Dep #2				
Dep #3				

Minimum Acceptable Levels


- Eligibility – inquiries & responses
- Enrollments & Disenrollments
- Authorization – requests & responses
- Claims – receipt & adjudication of EDI and paper
- Remittance
- Claims Status – inquiries & responses

Identification of Alternatives

Selection of Contingency

- For each critical business process, identify all the possible alternatives (workarounds)
- Select ONE alternative for each business process / scenario

Develop The COOP

- Each contingency needs to specify:
 - Assumptions (baseline parameters for planning)
 - Triggers (indication of failure)
 - Notification (who to tell)
 - Resource Assignments (who does what)
 - Procedures (the work-around)
 - Duration (for how long)
 - Monitoring (see how it goes)
- 
- The diagram shows a red oval containing the text 'ERT'. Two lines connect this oval to the 'Notification' and 'Resource Assignments' items in the list above, indicating that ERT is a key component or acronym related to these two items.

Develop The COOP

- Analyze and document required resources to support the plan
- Establish command, communication, and control procedures for executing the plan; Includes:
 - Timely recognition of trigger of disruption
 - Designated plan invoker
 - Organized, responsive, and accessible emergency response team (ERT)



Develop The COOP

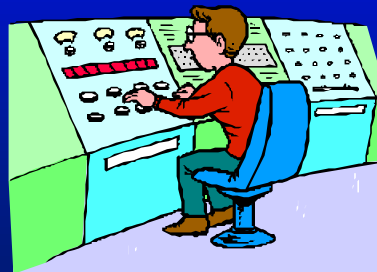
- Does your Incident Reporting mechanism work like this:



...or slightly faster...



- Require tested and operational Incident Reporting mechanism to support all communication channels



Develop The COOP

- Minimum Acceptable Level of Service: This is some predetermined level of service. It may be a percent of volume or length of time, etc.
- Triggers: These are the specific failure points that cause a COOP to be invoked. Events may be separated from triggers by a period of time before the contingency is invoked
- Concept of Operations: The concept of operations is a short summary paragraph providing a macro level view of how the workaround will unfold

Develop The COOP

- Emergency Response Teams

- ERTs are tailored for each business process
- The information should include positions, names of “who” is assigned, function, and telephone numbers [work, home, cell, pager], etc.
- Contact procedures for ERT members: This section should indicate “what” method will be used to contact the ERT members: e.g. phone trees with home/cell/work numbers, ‘code’ announcements for state employees, email, other alternate means



Develop The COOP

- Escalation of Problems and Reporting Procedures:
This is the information that is conveyed in the execution of the COOPs – verbal/written, frequency, and format. This information is developed during training is conducted, “when” it will be done, “who” conducts and receives training, and “how”. (Prep for doing the CPs, periodic, and just-in-time.)

testing and validating the COOP.

Develop The COOP

- Outreach Plan: This section explains “how” and “when” the Medicaid enterprise will communicate to beneficiaries and providers that contingency operations have started and ended
- Plan Maintenance Procedures: This section describes “how” the COOP will be reviewed, changed, updated and “who” is responsible
- Day One Strategy: Procedures for the initial transition to the COOP
- Distribution: This section lists “who” and “where” copies of the COOP are located

Develop The COOP

- Disaster Recovery Plan: This section may be where a copy of the DRP (May be your F/A) is located for reference (IT and infrastructure)
- Alternative Strategies: This section provides for the identification of all possible workarounds from which one is selected (with justification)

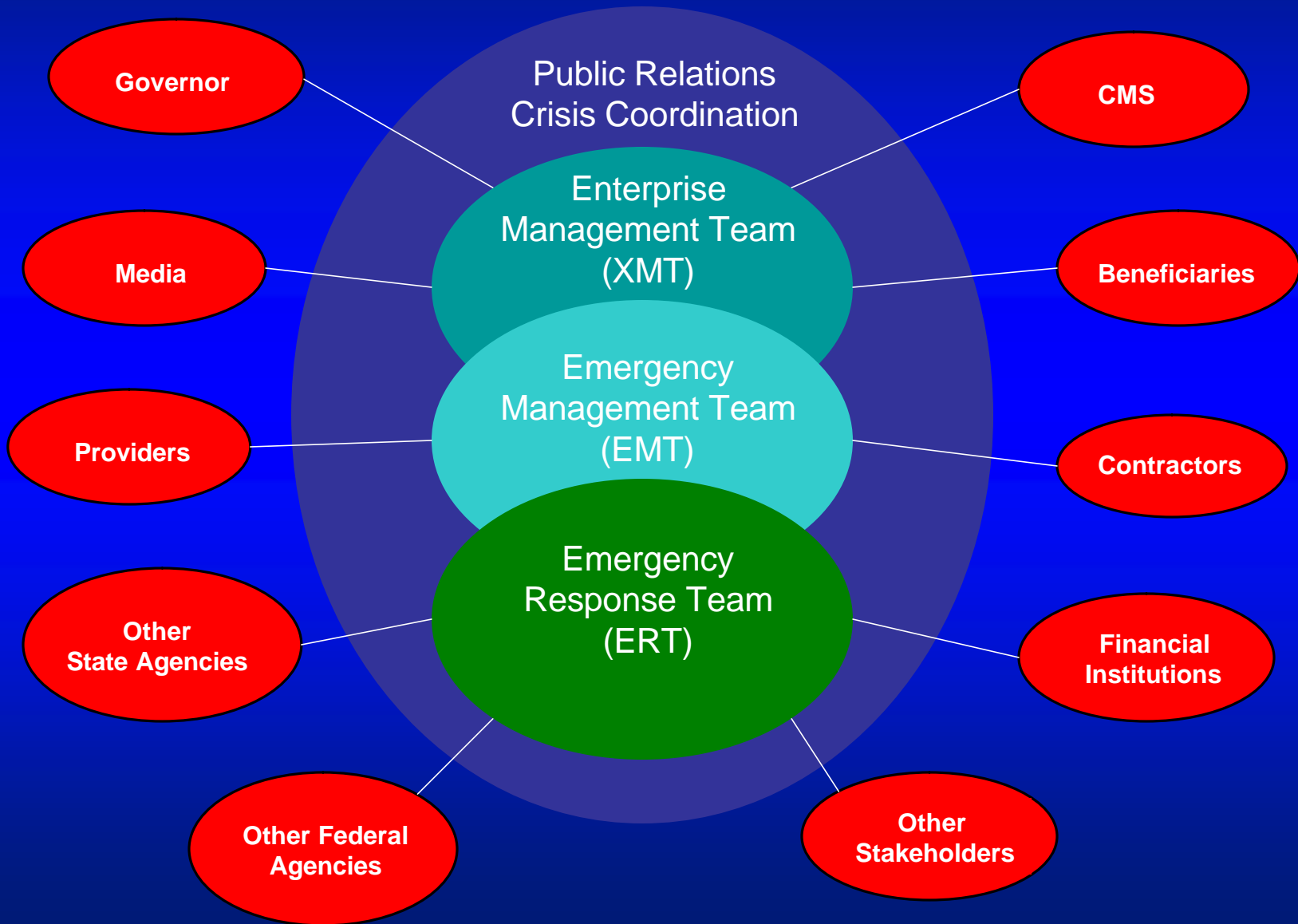
Example: Provider Claims

- hold all claims until system is recovered
- pay percentage of historical (previous month, quarter, year)
- pay prioritized list of providers most significantly impacted if not paid
- first in – first out

Develop The COOP

- Business partners affected: This section should identify all the business partners / other agencies affected by the implementation of the COOP -- “who”
- Resources and cost estimates to implement the COOP: This is a list of those things necessary to execute the COOP -- “what”
- Restore to normal ops: This section contains procedures for transitioning back to normal operations after a contingency is no longer required

COOP Organization



COOP Testing

- Exercise COOP to ensure:
 - Adequacy of assumptions
 - Staff comprehension of COOP procedures
 - Under duress, staff can accomplish in expected timeframes, produce expected outcomes (for example, MALS)
 - Assigned COOP resources (alternate site, equipment, lines, ERT, etc.) are functional, available

Training



- Raise Awareness

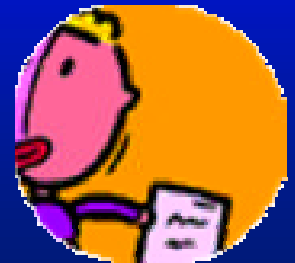
- Periodic presentations to team members, management, new employees
- Offer external COOP training, conference opportunities, create library of publications

- Conduct Validation Exercises

- Desktop walk-thru or more realistic simulation “fire drill”
- Pre-exercise brief, audit the process, document progress, allow participant feedback, and debrief

- Establish change control procedures

- Establish uniform distribution of plan; version control



Updating the COOP

- As personnel change
- As situations change
- Cycle of continuous improvement

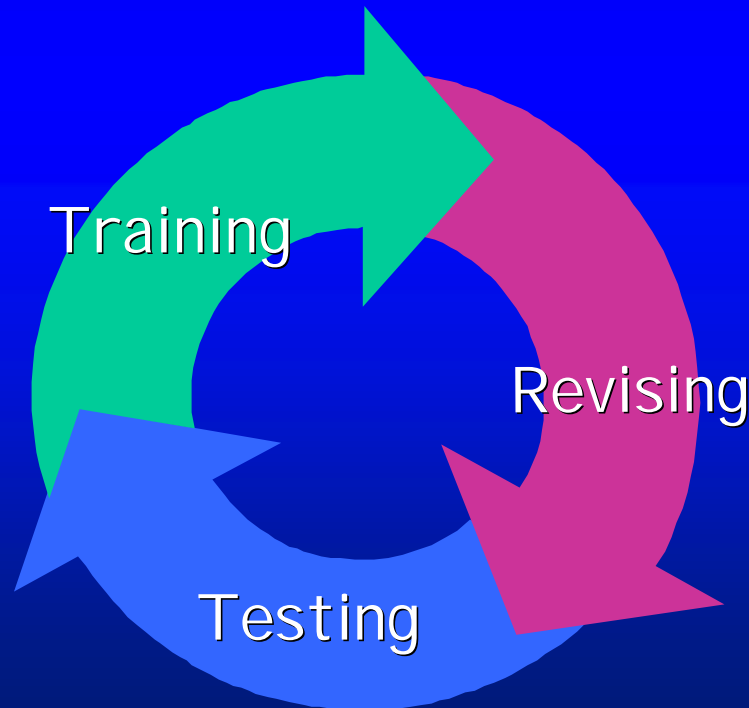
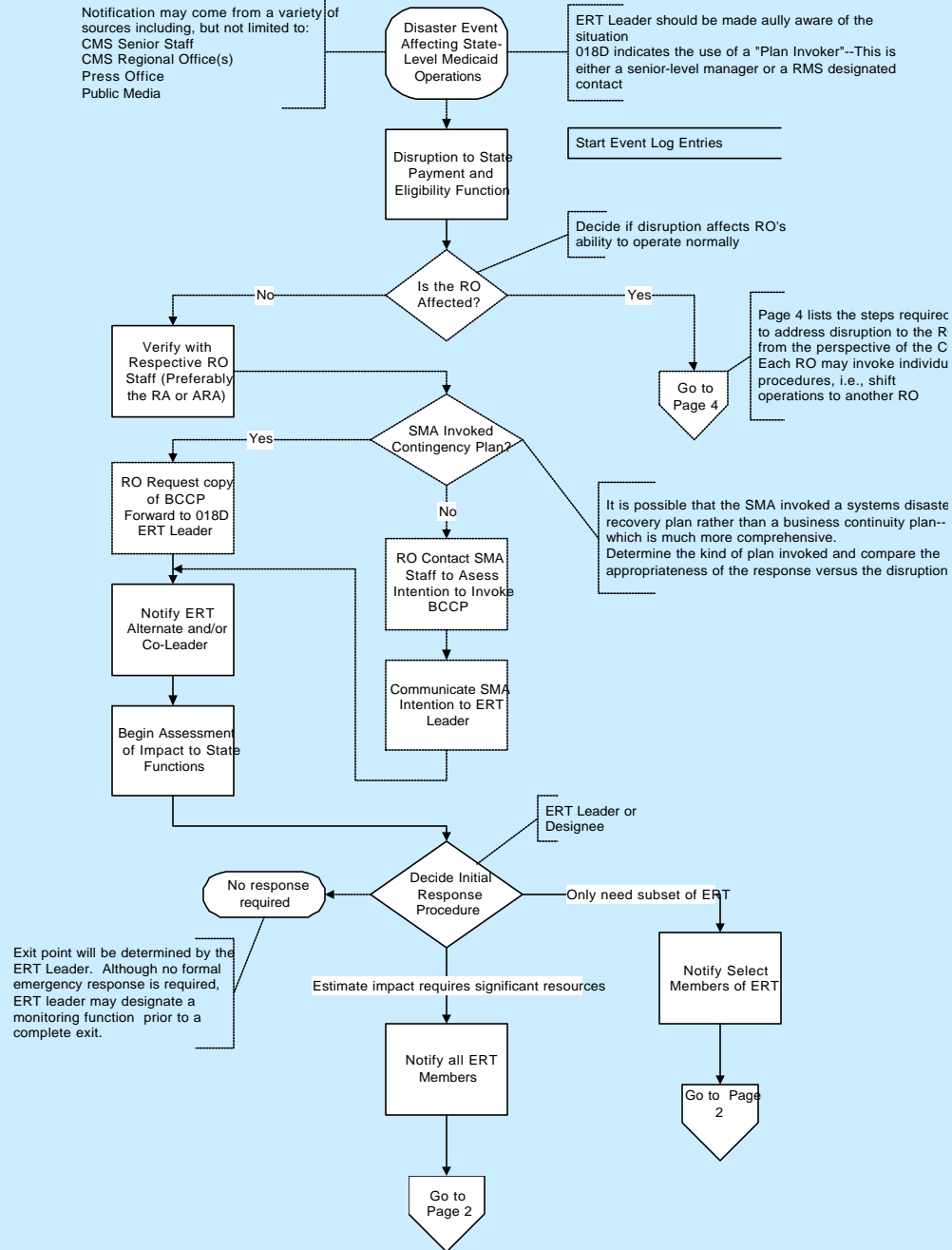


Table of Contents From Actual State BCCP/COOP Plan

- I. Introduction – Current Business Process Overview
- II. Assumptions
- III. Concept of Contingency Operations
 - a. Responsibilities – Rapid Response Organization:
 - i. Executive Team
 - ii. Operating Team
 - iii. Business Contingency Plan Managers
 - b. Incident Management Guide
 - c. Phone Trees
- IV. Eligibility Verification
- V. Claims Processing/Reimbursement Services
- VI. Systems Management
- VII. General Administration
- VIII. Managed Care
- IX. Chronic Care
- X. Acute Care
- XI. Legal and Regulatory
- XII. [Fiscal Agent] Disaster Recovery Plan



CMS Central Office Response Process for State-Level Disaster/Disruption-Page 1



For each phase from Gap Analysis through COOP, fill in the corresponding cells for each HIPAA transaction. <i>Italicized, indented business processes are listed as prompts to ensure these have been addressed in each phase of HIPAA implementation. The list serves as a guideline and is not an exhaustive list of processes that is necessary to be addressed for HIPAA implementation.</i>	Gap Analysis		Renovation		Testing			Implementation and Transition			Continuity of Operations		
	HIPAA Transaction and supporting business process assessed for HIPAA impact	Completed as of	HIPAA Transaction and supporting system functions renovated	Completed as of	HIPAA Transaction with Associated Supporting Business and System Functions Tested End-to-End	Start Date of End-To-End Testing for HIPAA Transaction	Completed as of	HIPAA Transaction with Associated Supporting Business and System Functions Implemented	Start Date of Implementation of HIPAA Transaction	Completed as of	COOP Updated for HIPAA Transaction	Completed as of	Unable to Meet 10/16/2003 Deadline for HIPAA Transaction, Prioritize for COOP
	Y/N	Date or Expected Date	Y/N	Date or Expected Date	Y/N	Date or Expected Date	Date or Expected Date	Y/N	Date or Expected Date	Date or Expected Date	Y/N	Date or Expected Date	Indicate Priority
Professional Claim/ Encounter [837P]													
Inpatient Claim/ Encounter [837I]													
Dental Claim/ Encounter [837D]													
Pharmacy Claim/ Encounter [NCPDP]													
<i>Claim Receipt and Translation Claim Adjudication/Pricing/Calculation Capitation Payment Managed Care Administration Fee Payment Institutional LTC Payment</i>													
Premium Payment [820]													
<i>Medicare Buy-in Premium Payment Private Health Insurance Premium Payment Non-Standard Claim Payment Mass Claim Adjustment Transaction Claim, Encounter, and Payment Communications</i>													
Remittance Advice [835]													
<i>Claims Payment Check/Warrant Processing</i>													
<i>Claim Status Request, Voice/Fax/Electronic</i>													
Claim Status Response [277]													
<i>Claim Status Response, Voice/Fax/Electronic</i>													
Eligibility Verification Request [270]													
<i>Processing Request, Voice/Fax/Electronic</i>													
Eligibility Verification Response [271]													
<i>Processing Response, Voice/Fax/Electronic Eligibility and Enrollment Notices and ID Documents Recipient Maintenance, Communication/TPL/Appeals/Lock-in Eligibility Data Exchange</i>													
Enrollment Transaction [834]													
<i>Enrollment Rosters to MCO</i>													
Request for Auth. of Service [278]													
Response for Auth. of Service [278]													
<i>Prior Authorization Receipt, Voice/Fax/Paper/Electronic Messages, Receipt/Acknowledge/Accept/Reject</i>													

The following business processes are from Medicaid Administration and Utilization Management areas, which are impacted in varying degrees by some or all of the HIPAA transactions and would have to be addressed in all phases of HIPAA implementation from Gap Analysis through Continuity of Operations Planning.

Utilization Review

Review, Medical/Peer/Administrative
Generate and Distribute EOMBs
Catastrophic Case Management
SURS – Establish System Parameters
SUR Case Referrals for Investigation
Provider Prepayment Review
Retro DUR
Fraud Detection Processing, Data Mining
Quality Assurance, Medicaid/MCO/Enrollment Broker

Rate Setting

Rate Setting, Fee For Service/Managed Care/Co-Payment/Capitation Rates/Waiver Rates
Rate Calculation, Institutional/Outpatient/Pharmacy/Clinic/Encounter/Non-Institutional Practitioner
DME and Supplies Rates and Clinical Lab Fee Schedule
Fees, Case Management/Administration

Management Reporting

Reporting, EPSDT/MSIS/HEDIS
Decision Support
Claims History Inquiry
1099 Production
Public Health and Vital Statistics Reporting

Financial Management

Accounts Receivable/Payable/TPL Collection/Drug Rebate/Recoveries/Bank Reconciliation

Drug Rebate

Drug Rebate Claim Selection
Drug Rebate Invoicing
Drug Manufacturer Response Processing

Auditing

Pharmacy Fill Fee Audit
Cost Settlement Audits

Quality Control

Medicaid Eligibility Quality Control
Claims Processing Quality Audits

Translator Administration

Translator Contract Management
Mapping to Adjudication System
Translator Maintenance

Trading Partner Administration

Data Exchange Information Acquisition
Data Exchange Information Maintenance