



MAY 72001

Dear Tribal Leader:

The Congress passed the Health Insurance Portability and Accountability Act (HIPAA) in 1996 to simplify the administration and payment of healthcare claims through implementation of standards to improve efficiency and reduce cost. The law also calls for improved protection for the security and privacy of electronically transmitted health information. As Indian health leaders, we have a significant role in assuring that American Indian and Alaska Native people benefit from the implementation of HIPAA.

Health care programs will be required to comply with HIPAA to be eligible for third party collections, which generate significant revenue for the Indian health care system. The Indian health care system's challenge will be to achieve uniformity in instituting HIPAA-compliant measures throughout health care programs.

To help us meet this challenge, I am forming an IHS HIPAA compliance effort that will be lead by Dr. Robert Harry, Executive Advisor to the Director. Dr. Harry will convene a multi-disciplinary team, coordinate assessment and planning activities, and inform Indian health programs about the HIPAA activity. The team will be the coordination point so that health programs can share their successful program efforts and avoid duplicating unsuccessful efforts. The team's guidance can help achieve consistency in implementing HIPAA across Indian country to assure the most benefits for Indian people.

One of the team's first tasks will be to coordinate the review of current practices and policies of Federal programs. The review will form the basis for plans to implement administrative reforms during the next 2 years. Five major administrative areas of health care will be affected by HIPAA regulations. They are standard transactions, standard code sets, uniform identifiers, security standards, and privacy standards. Final regulations have been published for standardizing transactions and code sets, and for privacy requirements. It is expected that final regulations will soon be published for security and uniform identifiers.

For more information about HIPAA, please visit <http://aspe.hhs.gov/admsimp/Index.htm>. This Department of Health and Human Services web page contains the effects of HIPAA on health policy and guidance on implementing the law and provides links to other sources of information about HIPAA. Also, please feel free to contact Dr. Harry on (301) 443-7261 about implementing HIPAA in the Indian health care system.

The HIPAA is to be implemented industry-wide by 2003. Although our Indian health care system faces challenges in the implementation of HIPAA, we believe that a guided approach will help us repeat the success we experienced with the Y2K challenge.

I look forward to working with you in this effort to improve the access to quality health care for Indian people.

Sincerely yours,



Michael H. Trujillo, M.D., M.P.H., M.S.  
Assistant Surgeon General  
Director