

AMERICAN MEDICAL ASSOCIATION PRIVATE PRACTICE PHYSICIANS SECTION

Resolution 3
(June 2021)

Introduced by: Alex Shteynshlyuger, MD

Subject: Enforcement of Administrative Simplification Requirements - CMS

Referred to: PPPS Reference Committee

1 Whereas, Our American Medical Association (AMA) has previously affirmed that administrative
2 simplification, including automation and standardization of electronic transactions, is a high
3 priority in order to provide affordable, timely, and effective care; and
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5 Whereas, The National Standards Group (NSG) at the Centers for Medicare and Medicaid
6 Services (CMS) Office of Burden Reduction is empowered to enforce administrative
7 simplification requirements to ensure standardization throughout the ecosystem of payers,
8 providers, and clearinghouses; and
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10 Whereas, Violations of administrative simplification requirements by health plans and payer
11 business associates, including clearinghouses, are prevalent and have an adverse effect on
12 healthcare practices and patients via higher costs and resulting in limited access to affordable
13 healthcare; and
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15 Whereas, The NSG at the CMS Office of Burden Reduction has stated that the enforcement
16 mechanism against health plan violations is based on the idea of “voluntary compliance,” the
17 only program of this type in the federal government where compliance is “voluntary;” and
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19 Whereas, The NSG at the CMS Office of Burden Reduction has failed to impose any financial
20 penalties in the past seven years on health plans for violation of HIPAA administrative
21 simplification requirements while at the same time, CMS imposed numerous penalties on
22 providers and the healthcare producer industry, including for violations of HIPAA privacy rules
23 which are governed by the same rules as the HIPAA administrative simplification requirements,
24 MACRA MIPS penalties, “Open Payments” Sunshine Act violation penalties, and numerous
25 other financial penalties; therefore be it
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27 RESOLVED, That our American Medical Association strongly disapproves of the failure by the
28 National Standards Group at the Centers for Medicare and Medicaid Services Office of Burden
29 Reduction to effectively enforce the HIPAA administrative simplification requirements as
30 required by the law and its failure to impose financial penalties for non-compliance by health
31 plans (New HOD Policy); and be it further
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33 RESOLVED, That our AMA strongly disapproves of the National Standards Group at the
34 Centers for Medicare and Medicaid Services Office of Burden Reduction practices of closing
35 complaints without further investigation and ignoring overwhelming evidence that contradicts
36 health plan assertions (New HOD Policy); and be it further
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38 RESOLVED, That our American Medical Association will advocate that there is parity in the
39 enforcement of the HIPAA Privacy Rule and the HIPAA Administrative Simplification

- 1 requirements and that it imposes penalties on health plan violations of HIPAA with the same
2 zest it does to providers for violations of MIPS (Directive to Take Action).

Fiscal Note: Not yet determined

Received: 4/20/21

RELEVANT AMA POLICY

Administrative Simplification in the Physician Practice D-190.974

1. Our AMA strongly encourages vendors to increase the functionality of their practice management systems to allow physicians to send and receive electronic standard transactions directly to payers and completely automate their claims management revenue cycle and will continue to strongly encourage payers and their vendors to work with the AMA and the Federation to streamline the prior authorization process.
2. Our AMA will continue its strong leadership role in automating, standardizing and simplifying all administrative actions required for transactions between payers and providers.
3. Our AMA will continue its strong leadership role in automating, standardizing, and simplifying the claims revenue cycle for physicians in all specialties and modes of practice with all their trading partners, including, but not limited to, public and private payers, vendors, and clearinghouses.
4. Our AMA will prioritize efforts to automate, standardize and simplify the process for physicians to estimate patient and payer financial responsibility before the service is provided, and determine patient and payer financial responsibility at the point of care, especially for patients in high-deductible health plans.
5. Our AMA will continue to use its strong leadership role to support state and specialty society initiatives to simplify administrative functions.
6. Our AMA will continue its efforts to ensure that physicians are aware of the value of automating their claims cycle.

Citation: Sub. Res. 814, A-96; Reaffirmed: A-02; Reaffirmed: I-08; Reaffirmed: I-09; Appended: Sub. Res. 126, A-10; Reaffirmed in lieu of Res. 719, A-11; Reaffirmed in lieu of Res. 721, A-11; Reaffirmed: A-11; Reaffirmed in lieu of Res. 822, I-11; Reaffirmed in lieu of Res. 711, A-14; Reaffirmed: Res. 811, I-19

Police, Payer and Government Access to Patient Health Information D-315.992

Our AMA will: (1) widely publicize to our patients and others, the risk of uses and disclosures of individually identifiable health information by payers and health plans, without patient consent or authorization, permitted under the final Health Insurance Portability and Accountability Act "privacy" rule; and (2) continue to aggressively advocate to Congress, and the Administration, physician's concerns with the administrative simplification provisions of HIPAA and that the AMA seek changes, including legislative relief if necessary, to reduce the administrative and cost burdens on physicians.

Citation: Res. 704, A-19

HIPAA Law And Regulations D-190.989

- (1) Our AMA shall continue to aggressively pursue modification of the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule to remove burdensome regulations that could interfere with efficient patient care.
- (2) If satisfactory modification to the HIPAA Privacy Rule is not obtained, our AMA shall aggressively pursue appropriate legislative and/or legal relief to prevent implementation of the HIPAA Privacy Rule.
- (3) Our AMA shall continue to oppose the creation or use of any unique patient identification number, including the Social Security number, as it might permit unfettered access by governmental agencies or other entities to confidential patient information.
- (4) Our AMA shall immediately begin working with the appropriate parties and trade groups to explore ways to help offset the costs of implementing the changes required by the Health Insurance Portability and Accountability Act so as to reduce the fiscal burden on physicians.

Citation: Sub Res. 207, A-02; Reaffirmed: CCB/CLRPD Rep. 4, A-12