

TO: ATLANTIC IMAGING GROUP MEMBERS

**FROM: JUDI ELAM
VICE PRESIDENT CLAIMS**

DATE: Friday, January 10, 2003

RE: HIPAA UPDATE

1. If you believe that Insurance Companies look for ways to hold back payments, the Government has given them the number one acceptable reason to do so through the Health Insurance Portability and Accountability Act (HIPAA).
 - **HIPAA Would Allow Health Plans to Reject a Provider's Electronic Claims If They Are Not HIPAA Compliant.**
 2. HIPAA WILL change the way every provider of medical services practices. Beginning April 14, 2003:
 - New Patient Confidentiality forms must be utilized.
 - A Privacy Officer and Privacy Policies must be in place.
 - Most Business Associate Agreements must be in place.
 3. Beginning April 16, 2003, Providers Must Begin Testing Their HIPAA Compliant Computer Systems.
 4. AIG will be precluded from accepting non-compliant electronic claims or we will be subject to Civil and Criminal penalties. Further, non-HIPAA compliant Providers may be subject to Criminal and Civil penalties which include:
 - Civil fines of \$100.00 per violation up to \$25,000 for an identical violation.
 - Criminal fines of \$50,000 plus 1 year of prison for simple criminal violations .
 - Criminal fines of \$100,000.00 plus a 5 year prison term for crimes committed under false pretenses.
 - Criminal fines of \$250,000.00 plus 10 years in prison for crimes committed for gain or harm.
- Note:** It is possible that a provider could be subject to multiple penalties for multiple violations.

ATLANTIC will be requesting HIPAA Certification Compliance Statements shortly. We will continue to keep you informed of any updates via fax broadcast. If you have any questions please, feel free to call 973-451-9415 for further information.