What Triggers the Need to Comply?

Both the HIPAA Privacy Rule and Security Rules are triggered when a psychologist, or an entity such as a billing service acting on behalf of the psychologist, transmits information in electronic form in connection with any designated standard transactions (items 1 through 10 at right).

Transmission in “electronic form” includes transmission via the Internet, extranets (using Internet technology to link a business with information only accessible to collaborating parties), leased lines, dial-up lines, computer-generated faxes (not traditional paper-to-paper faxes), private networks and electronic protected health information (EPHI—see footnote 2, page 7) that is physically moved from one location to another using magnetic tape, disk or compact-disk media.

Following are the standard transactions. For psychologists, the transactions most likely to trigger HIPAA are communications from the practitioner related to insurance claims or eligibility (items 1, 3, 4, 5, 6 and 8 below). The definitions that appear below are summaries of the definitions provided by the U.S. Department of Health and Human Services in 45 C.F.R. Sections 62.1101-162.1802.

1. Health Care Claims
Requests to obtain payment and the necessary accompanying information from a health care provider to a health plan, for health care services rendered.

2. Health Care Payment and Remittance Advice
Payment information about the transfer of funds or payment processing information from a health plan to a health care provider’s financial institution; or either the explanation of benefits or remittance advice from a health plan to a health care provider.

3. Coordination of Benefits
Inquiries from any entity to a health plan for the purpose of determining the relative payment responsibilities of the health plan regarding either claims or payment information (e.g. whether payment should be made instead by another insurer, Medicaid, etc.).

4. Enrollment or Disenrollment in a Health Plan
Inquiries regarding subscriber enrollment information provided to a health plan to establish or terminate insurance coverage.

5. Health Care Claim Status
Inquiries used to determine the status of a health care claim or a response about the status of a health care claim.

6. Eligibility for a Health Plan
Either: (1) an inquiry from a health care provider to a health plan or from one health plan to another health plan to obtain information about a benefit plan for an enrollee regarding eligibility to receive health care under the plan, coverage of health care under the plan, benefits association with the plan; or (2) a response from a health care plan to the provider or other health care plan regarding the same.

7. Health Plan Premium Payments
The communication of either payment, information about the transfer of funds, detailed remittance information about individuals for whom premium payments are being paid, or payment processing information such as payroll deductions, associated group premium payment information or other group premium payments.
8. Referral Certification and Authorization

Communications including: a request for the review of health care to obtain an authorization for the health care, a request to obtain authorization for referring an individual to another health care provider, or a response to one of these requests.

The following two transactions have yet to be formally defined by the Department of Health and Human Services, so we have provided a basic definition below.


Communication where an injury is reported to the worker’s compensation carrier for any potential workers compensation claim.

10. Health Claims Attachments

An extraction of relevant information from the medical record to demonstrate the reason for the service provided and the subsequent health care claim.

Once a psychologist—or an entity such as a billing service acting on behalf of the psychologist—triggers HIPAA, the Privacy Rule applies to all protected health information¹ in the psychologist’s practice. Once HIPAA is triggered, the Security Rule applies to all electronic protected health information² in a practice.

GP: What advice would you give to other practitioners about becoming HIPAA compliant?

Dr. Cooper: From my experience fielding calls regarding HIPAA issues as Director of Professional Affairs in the North Carolina Psychological Association, the biggest misconception among practitioners may be that HIPAA is largely irrelevant to practice. It often may seem true—until the moment it becomes not only relevant but indispensable in resolving some unforeseen privacy or security issue.

Another common misconception is that many practitioners think if they’re compliant with the Privacy Rule they’ve satisfied all of their HIPAA obligations, which is absolutely not true.

GP: Is it important to comply with both the Privacy and Security Rules?

Dr. Cooper: Yes, because they’re synergistic: you can’t fully implement one without the other. Without the Privacy Rule, you don’t know what to protect. Without the Security Rule, you don’t know if you have “holes” in the protective shield.

GP: What are the biggest misconceptions practitioners may have about HIPAA compliance?

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GP: Is there any other advice you can give to practitioners who have not yet taken steps to become HIPAA compliant?

If you did not meet the deadline for HIPAA compliance, you still should implement. It’s an important aspect of risk management for your practice, and compliance can definitely be accomplished in small steps.

GP: What advice would you give to other practitioners about becoming HIPAA compliant?

Obtain the tools for each rule, designate several blocks of time and persevere. With the confidence the Practice Organization’s tools provide, the process is not only achievable, it can actually become interesting.

Once you’re compliant, it’s also important to be aware that if aspects of your practice change, such as hiring a new staff person, you may need to revisit and update your policies and procedures to ensure ongoing compliance.

If you did not meet the deadline for HIPAA compliance, you still should implement. It’s an important aspect of risk management for your practice, and compliance can definitely be accomplished in small steps.

The HIPAA compliance information and resources mentioned in this article can be found on APAPractice.org. See page 20 for a list of additional resources for help with HIPAA.

¹ Under HIPAA, “protected health information,” or PHI, is information that is transmitted or maintained in any form or medium, relates to the past, present or future: physical or mental health condition of an individual; the provision of health care to an individual; or payment for providing health care to an individual; and identifies the individual or could reasonably be used to identify the individual. For psychologists, this generally means information about a specific patient, client or person you are evaluating.

² Electronic protected health information, or EPHI, is PHI that is transmitted or stored in electronic form.