

Swisslog

Position and Support Statement for the Privacy Rule

Overview

Swisslog is a long-time provider of unit load handling systems for hospitals, in particular, the TransLogic pneumatic tube system. As such, we have always held security related issues in the forefront when designing and providing systems and offering services to the healthcare industry.

Swisslog has joined with the Healthcare Industry by carefully monitoring the Standards of Privacy of Individually Identifiable Health Information (known as the 'Privacy Rule') which originated with the federal department of Health and Human Services (HHS).

Subsequently, in 1996, Congress enacted Public Law 104-191 – Health Insurance Portability and Accountability Act (HIPAA).

As we all know, this legislation presents far-reaching concerns into every area of the Healthcare Industry. We at Swisslog have prepared this information to assist you when fulfilling your obligation as a "Covered Entity", as outlined by the legislation.

Covered Entities and Business Associates

As you are aware, Covered Entities are defined in three categories:

- Health Plans
- Health Care Clearinghouses
- Health Care Providers who conduct certain healthcare transactions electronically. (Electronic transactions are those for which the Secretary under HIPAA has adopted standards, such as electronic billings and fund transfers.)

In addition to Covered Entities, the legislation thoroughly defines other parties with whom Covered Entities might contract, which are entitled "Business Associates".

Business Associates are defined as "a person or entity that performs certain functions or activities that involve the use or disclosure of protected health information on behalf of, or provides services to a Covered Entity. (REF: OCR-45 CFR 164.502 (e), 164.504 (e), 164.532 (d) & (e).

Illustrations of this are a third party administration that assists a health plan with claims processing; A CPA firm whose services involve access to Covered Entities' protected health information; A consultant that performs utilization review for a hospital, etc.

Business Associate functions and activities include:

- Claims processing or administration
- Data analysis
- Processing or administration activities
- Utilization review
- Quality assurance
- Billing
- Management and Practice Management
- Re-pricing

Business Associate service function examples all relating directly to the patient are:

- Legal
- Actuarial
- Accounting
- Consulting
- Data aggregation
- Management
- Administrative
- Accreditation
- Financial

Addressing Healthcare Issues

Swisslog's Position

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Through our extensive review of the "Privacy Rule" and through our participation in healthcare industry based informational sessions, we have determined that Swisslog qualifies neither as a Covered Entity or a Business Associate within the language, scope or intent of Law 104-191. Further, Swisslog does not perform or assist in the performance of a function or activity involving the use or disclosure of patient healthcare information.

Swisslog does not obtain or request access to patient information, and does not maintain Patient Health Information (PHI) in any form or any manner, and therefore does not enter into "Business Associate" contracts regarding this legislation.

We encourage our clients and perspective clients to visit the American Hospital Association's web site at www.hospitalconnect.com/aha/key_issues/hipaa/index.html to review and obtain copies of the "General Overview of Standards for Privacy of Individually Identifiable Health Information" as well as many other related documents. Of particular value is the "Q&A" segments presented in the Overview and other sections.

Also, Swisslog encourages our clients to visit Healthcare Solutions at www.swisslog.com or contact our Customer Solutions group at 1-800-393-9666 to learn more about how Swisslog Healthcare Solutions contributes to improved security for the transport and delivery of sensitive items, materials and information in hospitals.

This document may be obtained in electronic format (PDF) at:
<http://www.swisslog.com/internet/hcs/pdf/hipaa/hipaa.pdf>.



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