

Q&A

Legal Compliance



Courtesy of Meridian Benefits Consulting

Q

What does HIPAA do?

A

The Health Insurance Portability and Accountability Act (HIPAA) provides improved portability and continuity of health coverage in the following ways:

- It provides individuals with additional rights through its pre-existing condition, special enrollment and nondiscrimination requirements;
- It imposes insurance market rules that apply to health insurance carriers, which require guaranteed availability and renewability of health insurance plans;
- It governs the privacy and security of health information; and
- It requires that claims information be exchanged in a standardized format.

Insured and self-funded group health plans and health insurance carriers that offer group health insurance coverage must comply with HIPAA's pre-existing condition, special enrollment and nondiscrimination requirements.

HIPAA privacy and security rules apply to covered entities including:

- Health plans
- Health care clearinghouses
- Certain health care providers and endorsed sponsors of the Medicare prescription drug discount card

Business associates that perform services for covered entities must also comply with certain aspects of HIPAA's privacy and security rules.