

e-Healthcare Market Reporter

Trends • Companies • Providers • Payors • Patients • Contracts • Mergers • Acquisitions
Innovation • Products • Web Enabled • Intranet • Statistics • Revenue • Commerce • Strategy

News In This Issue

Vol. II, No. 19

May 2001

HIMSS, CHIM Talk To Unite

Boards of directors from both organizations may unite the two groups under one umbrella 3

Strategic Partnerships 4

Licensing Agreements 5

Market Partnerships 5

New Services 6

Best Practices 7

Contracts Awarded 8

Audio Conference Targets HIPAA Compliance 9

Readers:

Got a problem? Got a question? Got a story to tell? We want to hear from you. Call our Reader Hotline at (888) THE-MCIC and ask for Beth-Ann Kerber, or send an e-mail message to: bkerber@themcic.com.

First Issue of the Month

Lessons of E-Commerce No Good for E-Health Companies, Survey Finds

If you're trying to reach e-health consumers, using successful e-commerce strategies just won't cut it, new research reveals.

"Typical online traffic-building strategies don't seem to work, since usage patterns in e-health bear little resemblance to those in e-commerce," said Deborah Lovich, a vice president with The Boston Consulting Group (BCG) and co-leader of the firm's e-health initiative.

Harnessing the power of the Internet will be daunting for healthcare companies, since reaching patients online is difficult, BCG said. In fact, the firm's new research reveals two key differences between how patients and general consumers search for information:

◆ First, unlike consumers seeking other information online, patients don't explore health topics on the Web at their leisure or for entertainment. Rather, the vast majority — 77 percent — use the Internet for health issues only when they have specific questions.

◆ Second, the same Internet users who might visit an auto site to find information about cars or visit and return to Amazon.com to purchase books, typically don't turn to health sites directly when searching for health information. Instead, nearly two-thirds of patients usually start with such general search engines as Yahoo!, Ask Jeeves or Alta Vista. Just 24 percent make health portals such as WebMD and IntelliHealth their first stop, BCG said. Only 11 percent start with disease-specific Web sites such as Oncology.com or MSWatch. Moreover, even those who favor specific health-related sites said they initially found the sites through a general search engine, BCG indicated.

On the positive side, however, BCG researchers have found that the healthcare information patients are finding online is having a real impact on how they're managing their overall care and complying with prescribed treatments. This finding, Lovich said, shows the Web is "an important lever" for companies that want to get patients more involved with their care decisions.

Additionally, the more patients use the Web for health, the stronger their response to the call to action issued by healthcare companies, BCG said. Its research showed that those who use the Internet frequently are two to three times more likely than infrequent users to take action that affects their diagnosis and treatment. For example, the data patients find online result in their asking more questions and in greater detail, the firm said.

But more importantly, it noted, when patients who frequently use the Internet for health consult with their doctors, about 36 percent suggest the specific illnesses from which they are suffering and 45 percent request specific treatments. In comparison, among those who hardly ever venture online to find health information, just 16 percent and 19 percent of patients, respectively, are as actively involved.

"These findings hold promise for all healthcare companies that benefit from influencing patient behavior, such as pharmaceutical companies promoting new therapies and managed care players promoting patient compliance with disease-management initiatives," said Lovich. "The struggle will be figuring out how to reach them, particularly since where patients will end up when they log on for answers to healthcare questions remains highly unpredictable."

However, emerging shifts in patient behavior suggest healthcare companies can hone in on the patient segments they want to target online, Lovich added.

An earlier BCG report segmented patients into four categories based on the severity of their condition and their attitude toward physicians:

✓ **Accepting** (8 percent of patients) — rely entirely on doctors for health information and decisions;

✓ **Informed** (55 percent) — rely on doctors to make health decisions, but typically go online after an office visit to learn more about a diagnosis or prescribed treatment without, in their view, wasting the doctor's time with questions;

✓ **Involved** (28 percent) — view themselves as partners with their physicians in making care decisions and seek information online before and after visits to discuss with their doctor, but still rely on their provider to make the ultimate decision regarding care; and

✓ **In control** (9 percent) — feeling best suited to determine their care, they use online information to diagnose themselves before visits to determine which treatments they want and to convince their doctor to treat them accordingly.

As could be expected, only 11 percent of "informed" and 3 percent of "accepting" patients use the Web often for health, compared with 38 percent of "in-control" and 23 percent of "involved" patients, BCG found. And while fewer patients fall into the latter two categories, these individuals account for a significant portion of healthcare costs, according to BCG, because they tend to suffer from the most severe conditions and thus are likely to be the heaviest consumers of healthcare.

Because these different segments of patients use e-health differently and for different reasons, some patients are easier to find — and therefore easier to influence — online, BCG said. It noted two important behaviors that have emerged:

1. ***Patients already have begun to migrate to more active segments over the past year.*** This trend suggests that greater patient access to online information is leading to greater patient involvement, BCG said. Ultimately, if these shifts continue, the more active patients could well become the largest portion of the healthcare market.

2. ***Patients who take a more active role in their care are beginning to "stick" to sites.*** These patients are more likely than patients in other segments to visit health sites — and disease-specific sites in particular. Twenty-eight percent of patients in the "accepting" segment visit health-related portals and disease-specific sites, compared with 42 percent of the "in-control" group. With roughly the same percentage (23 percent to 27 percent) of each

segment visiting healthcare portals, the differences in behavior are fueled by visits to disease-specific sites, suggesting that disease-specific sites are an attractive pull for return visits among the most active and valuable segments in healthcare, BCG said.

“If, as the data suggest, patients continue to become more active and therefore more likely to visit disease-specific sites, we can expect a shift to deep, narrow health sites,” said Lovich. “Consequently, understanding the disease- and segment-specific offerings that attract and retain patients will be an essential element for healthcare companies to build a future presence online.

“For the time being, however, search engines remain the most dominant vehicle for reaching patients online,” she said.

Address: Boston Consulting Group, Exchange Place, 31st Floor, Boston, MA 02109; (617) 973-1200, fax (617) 973-1339.

HIMSS, CHIM in Talks To Unite

After 12 years operating as separate entities, the Healthcare Information and Management Systems Society (HIMSS) and the Center for Healthcare Information Management (CHIM) may be joining operations.

HIMSS President/CEO H. Stephen Lieber and CHIM CEO Carla Smith said the organizations’ boards of directors are meeting to discuss uniting the two groups under one umbrella. The main goal, they said, is to better represent and serve individuals involved in the healthcare information technology (IT) marketplace.

“Bringing these two organizations’ extensive experience, expertise and resources back together as one organization would create a stronger, more cohesive and committed voice for the HIT industry and its members,” Lieber said.

CHIM was founded 15 years ago within HIMSS; in 1989, the two organizations became independent of each other, but maintained a collaborative relationship through operating agreements.

It was during the recent discussions about renewing the operating agreement that a decision was made to pursue re-uniting the groups. According to Smith, the HIMSS and CHIM boards realized that, “while both groups were operating efficiently and effectively, combining them would create a ‘whole’ that is immeasurably stronger and more effective than the two separate parts.”

The organizations’ boards currently are exploring the legal, financial and operational issues involved in recombining the two groups. That process is expected to be completed and results presented to the HIMSS and CHIM boards for review at their respective meetings this month, according to Walter R. Menning, HIMSS chairman.

“Should the two organizations be combined,” Menning said, “the current elected representatives on the HIMSS and CHIM boards of directors would be blended into one cohesive group, and board hierarchies already in place would be maintained to provide overall strategic guidance for the entire association.”

The groups would continue to operate out of their existing Chicago and Ann Arbor, Mich., offices, with the executive management from both organizations remaining intact to lead the organization, said Ivo Nelson, CHIM chair. Nelson said they expect any staff changes to involve shifting existing staff into new or expanded roles and responsibilities, rather than reducing or eliminating positions.

Addresses: Healthcare Information and Management Systems Society, 230 East Ohio St., Suite 500, Chicago, IL 60611-3269; (312) 664-HIMSS, fax (312) 664-6143, www.himss.org. Center for Healthcare Information Management, 3800 Packard Road, Suite 150, Ann Arbor, MI 48108; www.chim.org.

e-DOCS.MD Shuts Down as Investor Search Fails

In the wake of unsuccessful attempts to raise additional capital, including the recent failure of a \$2.5 million potential investment to materialize, Houston-based e-DOCS.MD Inc. has closed its doors.

The seven-year-old Internet-based medical document company announced April 20 that it would shut down operations as of 5 p.m. that day.

“Our exhaustive efforts to raise the necessary capital in a very difficult market for the company have been to no avail. Likewise, we have not been successful in finding a buyer for our strategic assets,” said Jim Springfield, e-DOCS vice chairman and CEO.

The closure affects the company’s transcription subsidiary and its e-DOCS Physician Network (EPN). EPN was a subscription-based professional portal designed to capture, organize and retrieve medical transcription and handwritten patient encounters, which then would be accessible to the physician through a secure access.

At the time of its closure, e-DOCS.MD had approximately 1,600 physician-clients in four states and transcribed approximately 67,000 physician-dictated medical records per month. In mid-February its EPN subsidiary had enrolled 443 physicians as associate members.

Moreover, a little over two months ago, e-DOCS.MD signed an agreement with Preview MD.com to offer EPN to its customer base of physicians, a move Springfield described at the time as “the most effective way to rapidly penetrate the market.”

In addition to that positive move, February seemed to bring good news for the firm. On Feb. 26, e-DOCS.MD signed an agreement with Millennium Funding, which provided the company with up to \$750,000 in asset-based lines of credit.

“Even though it is a difficult capital environment, e-DOCS continues to acquire the resources required for the company’s working capital,” Springfield said at the time.

Then, two days later, e-DOCS.MD signed a term sheet with New York-based May Davis Group for a \$2.5 million equity placement in the company. An initial funding of \$1 million was scheduled to occur before March 15, with the remaining investment scheduled in three tranches of \$500,000 each. That deal fell through in March.

Although the company planned to pursue “all other strategic alternatives,” Springfield said on the company’s

last day of operations, “We have explored all available options to no avail.”

Subsequent to the closure, five of the company’s board members resigned: Dr. Peter Michalos, Dr. James Cochran, Daniel Dornier, Rudy Garza and I. Bobby Majumder.

Address: e-DOCS.MD, 1770 St. James Place, Suite 116, Houston, TX 77056; (713) 621-3132, fax (713) 621-7059.

New Products

Suite Solutions Inc. and **AXIOM Systems** released their jointly developed RDE2 HIPAA Compliance product.

RDE2 is a front-end, HIPAA-compliant, pre-processing software solution that will enable healthcare enterprise legacy systems to process HCFA 1500, UB 92, pharmacy and dental claims and associated HIPAA-mandated EDI transaction sets using ANSI ASC X.12 standards in a secure environment.

RDE2 will accept data from all HIPAA-compliant EDI transactions, flat files, OCR systems and data entry screens. It will validate incoming data, manage batches, correct errors, provide limited workflow control, send HIPAA transactions, convert HIPAA-coded data into a user’s local codes and pass the transactions into the enterprise adjudication systems using existing portals. It also will provide an audit trail of all transactions it manages.

Suite Solutions Inc., with offices in New York, Phoenix and Washington, D.C., develops, markets and supports information systems designed for healthcare enterprises. AXIOM Systems is a Maryland-based consulting firm that specializes in healthcare information technology.

Strategic Partnerships

Caremark Inc., a subsidiary of Caremark RX Inc. and a prescription benefit manager, and **HealthTalk Interactive**, an online producer of medical patient education content formed a strategic alliance to provide

programs via the Internet to educate consumers and provide them with information about certain chronic diseases and conditions.

Caremark will be highlighted on existing HealthTalk Interactive “patient education networks” (on www.healthtalk.com) focusing on multiple sclerosis, rheumatoid arthritis and hepatitis C. The companies will work together to create additional networks using in-depth Q&A sessions between medical specialists and patients.

In addition, by clicking through to Caremark’s site, patients then will have access to information and services related to obtaining specialty pharmaceuticals.

HealthTalk Interactive’s “networks” also will be highlighted on Caremark’s patient Web site, www.RxRequest.com.

* * *

Medem, the patient-physician e-health network founded by national medical specialty societies and the American Medical Association, entered into an online partnership with **Prevea Health Services**, a physician-managed organization consisting of 900 local partners and 140 physicians.

Under the agreement, the Prevea Health Services physician directory will provide access to physician Web sites on the Medem network. Physician listings in the directory will include direct links to their practice Web sites.

Medem also is helping physicians with Prevea Health Services build their Web sites with secure messaging capabilities, using Medem’s Your Practice Online service.

Licensing Agreements

Aperture, Louisville, Ky., signed an agreement with **Humana Inc.**, also of Louisville, to license KnowYourDoc.com software.

The agreement will allow Humana to provide detailed Web-based directories of contracted physicians and other healthcare providers. It will be used with Humana’s new digital health plan, expected to be offered later this year.

The KnowYourDoc software provides an online provider directory that includes a complete listing of physician specialties, detailed practice information, the educational background and qualifications of Humana-contracted physicians and other healthcare professionals, and office hours and locations, as well as hospital affiliations. Humana also will offer providers the ability to distinguish their practice among directory listings.

* * *

NurseZone (www.nursezone.com) has expanded its content as a result of a strategic partnership with **NurseLinx.com**, part of the MDLinx network of vertical offerings for medical professionals.

NurseZone, a division of AMN Healthcare Inc., now features more “News by Specialty” articles, adding cardiovascular, psychiatry/psychology, geriatrics, immunology/infectious disease, orthopedics and other multi-disciplinary news to the site. The content is updated daily.

Market Partnerships

Question Inc. (www.question.com), a consumer healthcare Web site providing users direct access to their personal health benefit information, entered into an agreement with **PHS Health Plans** (Physicians Health Services Inc.) to allow PHS members online access to their health plan coverage and related information.

PHS Health Plans has more than 1 million members in Connecticut, New Jersey, New York and Pennsylvania. Its 1,800 employees will serve as a pilot group to test this new health information access; rollout to members will begin by the end of this year.

Pilot participants have immediate access to Question’s resource library, which includes a health encyclopedia, information on clinical trials, health risk assessment tools, safety alerts and a free electronic newsletter. In addition, members can customize a personal home page on the site that will display information on the health topics that interest them most.

The pilot will evolve over the next several months to include personalized health coverage information such as

individual copayment levels and out-of-pocket maximums. Benefits information will be available in three formats: by condition, by most commonly asked question, and in summary.

Questium is an application service provider, founded by Health Net Inc. in October, that enables health plans and employers to offer health, life and work enhancement services to members and employees using a self-service Web site.

* * *

ePhysician, Mountain View, Calif., and **AstraZeneca**, Wilmington, Del., entered into a three-year agreement to provide hand-held prescribing and drug resource products to office-based physicians. The focus of the collaboration is to provide physicians with ePhysician point-of-care electronic prescribing and clinical content products.

The companies expect to roll out the combined offering in June.

In addition to providing physicians with disease-specific and pharmaceutical product information at the point of care, the products will include a two-way messaging capability between AstraZeneca and the physician.

* * *

iPhysicianNet, Scottsdale, Ariz., and **MedManage Systems**, Seattle, have joined forces to offer pharmaceutical companies a new electronic and voucher sampling service that will increase physicians' access to product and patient education materials in their specific therapeutic categories.

Physicians in the iPhysicianNet national network will be able to obtain sponsoring companies' drug sample vouchers online through MedManage Systems. Their patients then can redeem the vouchers, free of charge, at participating pharmacies.

The service will be offered to pharmaceutical companies, including existing iPhysicianNet video-detailing clients, as well as new sponsorship clients. Companies will have the opportunity to sponsor a therapeutic category on an exclusive basis.

MedManage will provide sponsoring companies with monthly pharmacy tracking reports measuring sample redemption. IphysicianNet also will supply the companies

with reports to measure physician activity with product information and patient education aspects of the new service.

The new service is expected to "go live" July 1.

* * *

MD On-Line entered an agreement with **Oxford Health Plans** to enable Oxford's network of providers to submit their claims via the Internet.

Providers now can go to www.oxfordhealth.com, register for the MD On-Line service and begin submitting claims. MD On-Line also enables providers to submit transactions using a dial-up service, if they are not yet ready to send them over the Internet.

New Services

CorVel Corporation, an Irvine, Calif.-based preferred provider organization and medical bill review processor, has begun processing medical bills submitted electronically from physicians.

CorVel's CareMC Web site provides a portal into which bills can be submitted directly by providers, reviewed and then reimbursed automatically. The new "eBilling" service allows physicians to obtain real-time confirmation of the acceptance and review of invoices for service. CareMC is, in turn, connected electronically to the claims systems of major insurers and third-party administrators.

Web Site Launches

The Medical Group Management Association (MGMA) has launched **StarkCompliance Solutions**, consisting of a faxed bulletin and a Web site at www.StarkCompliance.com, to help medical practices comply with the recently released Stark law regulations.

The new offering focuses specifically on the federal self-referral law's impact on medical group practices. It provides: tecWw (sprovidebm) Tj T* -0

to physician compensation or income distribution systems designed to comply with the Stark law's legal requirements; updated on developments and news related to the regulations; and a forum for sharing ideas with other medical group practices.

StarkCompliance Solutions is available only by subscription, at an annual cost of \$150 for MGMA members and \$495 for non-members.

In other MGMA news, the association has teamed up with **Esurg Corporation** to create a cobranded online procurement site, www.esurg.com/mgma. The site will offer medical, surgical and pharmaceutical supplies to the small group practice segment of MGMA's membership.

* * *

Intracorp, Philadelphia, introduced a newly redesigned Web site — www.intracorp.com — that provides a single portal to its portfolio of healthcare and disability management products, services, health information and Web-based business-to-business tools.

The new site integrates electronic tools and services previously found on Intracorp Online.

In addition to company news and new monthly online newsletters for the healthcare and disability management markets, the site provides access to such B2B tools as Intracorp's Claims Toolbox, Case Manager Toolbox and the TPA Toolbox.

Intracorp also has extended its online health and wellness resource. Previously available only to Intracorp's demand and disease management customers, the recently renamed and enhanced site — ww.healthinfoseeker.com — is a password-protected portal where members can access an array of information and interactive tools.

Acquisitions Advisory

Source Medical Solutions, Birmingham, Ala., acquired **Surgicenter Information Systems Inc.**, Lafayette, Calif., effectively doubling its client base, revenues and number of employees.

Source Medical is a healthcare solutions provider that captures, automates and integrates clinical, administrative

and financial data for healthcare providers. It developed TherapySource, a wireless clinical documentation and management system installed in more than 1,000 HealthSouth facilities in the United States and Canada.

Surgicenter Information Systems, meanwhile, had been providing information systems to ambulatory surgery centers since 1984, serving more than 650 clients in the United States and Canada.

With the acquisition, Tom Hui, founder, president and CEO of Surgicenter Information Systems, will become chief technology officer for Source Medical, assuming responsibilities for product development and technology infrastructure.

* * *

Per-Se Technologies Inc., an Atlanta-based provider of integrated business management outsourcing services, application software and Internet-abled connectivity for healthcare providers, acquired two companies with technology solutions that work in tandem with The Per-Se Exchange: **Virtual Information Systems Inc.**, Cleveland, and **Officemed.com**, Atlanta.

With the acquisition of Virtual Information Systems, Per-Se adds the core product, Virtual Remittance Processing System (VRPS) to Per-Se's e-Health Solutions division. VRPS incorporates electronic remittance advices with an OCR scanning solution and generic data entry capabilities.

The acquisition of Officemed.com, an ASP specializing in healthcare insurance transactions, will add the functionality of real-time eligibility verification via the Web.

The transactions, which closed on April 27, had a combined cash purchase price of approximately \$10 million for the assets and technology of both companies. On a 12-month basis, the acquisitions are expected to have proforma revenues of approximately \$3.4 million, Per-Se indicated.

Best Practices

Blue Cross Blue Shield of Minnesota's health and medical information Web site, BluePrint for Health

Online, received an award of merit for outstanding consumer health and medical information resource in the HMO/Managed Care System category of **Health Information Resource Center's** World Wide Web Fall 2000 Health Awards.

The site, www.bluecrossmn.com/blueprint, offers self-care resources for a variety of conditions, a medical library, daily health news and information, and the opportunity to create a personalized health home page and receive weekly e-mail newsletters. It also includes an "Ask the Experts" area, where Blue Cross health and medical professionals respond to questions submitted by site visitors.

* * *

HealthNexis, formerly the New Health Exchange, has become a member of **The Coalition for Healthcare eStandards**, a group focused on creating, driving and adopting e-commerce standards. HealthNexis has joined the group as a core member and serves on its board of directors.

The coalition — which has a Web site at www.CHeStandards.com — was formed in June 2000 to advocate the adoption of uniform industry standards for supply chain transactions over the Internet. Its members include Consorta, empactHealth.com, Healthtrust Purchasing Group, Insource Health Services, MedAssets.com, MedCenterDirect.com, medibuy.com, Neoforma, Novation and Premier Purchasing Partners LP.

HealthNexis provides technology and information solutions to healthcare manufacturers, distributors and purchasing organizations. It was founded in April 2000 by AmeriSource Health Corporation, Cardinal Health Inc., Fisher Scientific International Inc. and McKesson HBOC Inc.

Contracts Awarded

HealthNexis selected **Cyclone Commerce's** Cyclone Interchange as a component of its technology and information solutions for the healthcare supply chain.

Under terms of the agreement, Cyclone and HealthNexis will deliver a customized version of

Cyclone's "rapid deployment" connectivity platform to healthcare manufacturers, distributors and purchasing organizations.

HealthNexis will use Cyclone's technology to secure the exchange of transaction information and provide digitally signed receipts of transactions.

* * *

Bon Secours Health System entered into a three-year agreement with **CareScience Inc.**, Philadelphia, to implement its Care Management System (formerly CaduCIS) in three of the health system's Hampton Roads, Va., facilities.

Following implementation in the Hampton Roads facilities, the project is expected to be implemented in all of the health system's 24 hospital facilities in the eastern United States.

The Care Management System will be used to help the facilities "identify, prioritize, quantify and support" clinical performance improvement opportunities.

* * *

Sampson Regional Medical Center (SRMC), Clinton, N.C., contracted with **StorCOMM Inc.**, Jacksonville, Fla., for StorCOMM's ImageACCESS Clinical Image Management System (CIMS).

CIMS offers an image management solution for radiology, cardiology, pathology, wound care and other departments throughout the healthcare enterprise.

SRMC is a rural, 146-bed facility with a medical complex that includes 116 acute care beds, a 30-bed skilled nursing unit and a freestanding home health agency.

"Space is paramount to us and, due to state record retention regulations, SRMC is virtually never going to be able to dispose of old films," said Jay Janssen, SRMC's assistant administrator, outlining anticipated benefits of the contract. "Rather than building a new storage facility for films, we felt it was better to digitize the films and move to a digital system. This is the way of the future, and SRMC will eventually become 100 percent digital."

* * *

New Jersey-based **St. Joseph's Hospital and Medical Center** awarded a contract to Montreal-based

MediSolution's MarkCare division to install the facility's medical diagnostic and picture archiving and communications systems (PACS).

The contract award came less than one week after MediSolutions completed its acquisition of MarkCare.

MediSolutions' PACS technology facilitates the digital storage, management and transmission of MRIs, CT scans, X-rays and other medical images within healthcare environments.

The contract is expected to generate more than (CDN) \$1.5 million in revenue for MediSolution's MarkCare division over the next three years.

* * *

The University of Texas M.D. Anderson Cancer Center selected **Per-Se Technologies**, Atlanta, to implement its Patient1 computer-based patient record (CPR) for inpatient services.

The 400-bed cancer center will implement Patient1 to automate all patient medical records in an attempt to: improve patient safety and medication administration; reduce clinician dependency on paper charts; and improve operational efficiency via embedded rules and workflow.

In the first phase of implementation, M.D. Anderson Cancer Center will use Patient1's configuration capabilities to create customized screens of stored 25 years of laboratory and pathology results, with plans to combine clinical data from other multiple departments, such as radiology, pharmacy and nursing, according to Rich Pollack, the center's vice president and chief information officer, ad interim.

Audio Conference To Target Questions of HIPAA Compliance

Healthcare organizations will be struggling over the next few years to come into compliance with provisions of the Health Insurance Portability and Accountability Act (HIPAA). But while the deadline may seem far away, the time to start compliance efforts is now.

To help in the effort, the Managed Care Information Center's (MCIC) **e-Healthcare Market Reporter** is sponsoring an audio conference this month, "HIPAA Compliance: Working Through The Priorities." The conference is scheduled for May 23 at 1:30 p.m. Eastern time.

Speakers for the audio conference include Richard Marks, a member of the HIPAA Task Force in the Washington, D.C., office of Davis Wright Tremaine; Sybil Ingram-Muhammad, engagement manager of Enterprise Security and HIPAA Compliance with Beacon Partners; and Michael Safran, healthcare management consultant with Milliman and Robertson.

Recent studies have found that provider organizations are seriously behind payors in achieving compliance with the law's provisions.

The No. 1 priority for healthcare providers during the next two years is upgrading security on their IT systems to meet HIPAA requirements, according to the HIMSS Leadership survey. The majority of those surveyed by the Gartner Group reported that they have not even developed preliminary overall budgets for achieving compliance.

Those organizations that have started work expect to average almost \$9 million in HIPAA-related expenditures.

Although payors and the largest healthcare systems are well under way on addressing the HIPAA requirements, many organizations are "behind the curve," said Robert K. Jenkins, MCIC CEO, who will moderate the program.

There is an alarming disconnected range of knowledge on HIPAA requirements, Jenkins said. The questions being posted on HIPAA discussion lists range from the very basic to real nuts-and-bolts, work-a-day issues confronted by those who are working full time on implementing the requirements.

The 90-minute "HIPAA Compliance: Working Through the Priorities" will focus on what organizations should be doing now, Jenkins said. The goal is to provide real-world, practical solutions and answers to professionals attempting to cope with implementing and complying with the law's provisions, he added.

Among the topics to be covered are implementing the provisions of the privacy regulations; adapting a culture change within your organization; what your organization should be doing about HIPAA right now; taking the basic steps to thinking about how your organization will become HIPAA-compliant; and policy elections for your organization. Also, it will address how to begin initial security analysis; building a comprehensive assessment of your organization's current security practices, procedures and IS/IT technologies; developing your corporate security strategy; and developing your training plan for your organization's staff.

The conference also will deal with including appropriate HIPAA provisions in vendor negotiations for information systems and telecommunications systems.

A live question-and-answer session will follow the formal presentations. MCIC also plans to sell tapes of the event for organizations that are unable to attend.

Full information and registration details are available at: <http://www.monmouth.com/themcic/hipaaconf.htm>.

Address: Managed Care Information Center, Dept. 24M101, 1913 Atlantic Ave., Suite F4, Manasquan, NJ 08736; (800) 516-4343, fax (888) 329-6242, e-mail hipaaconf@themcic.com.

In Upcoming Issues...

- *Online Sales and Marketing Is a Priority for Biomedical Suppliers*
- *Internet To Increase as Vehicle for Health Plan Choice, Information*
- *A Look at the Impact of Online Doctor-Patient Communications*

FREE SUBSCRIPTION

Someone in your professional organization can win a FREE ONE-YEAR SUBSCRIPTION to **e-Healthcare Market Reporter** if it's given away in a drawing at your next professional organization's state or regional meeting. It makes a great door prize! We would like to send you samples of our newsletter and catalogues, describing our other publications, to be distributed or displayed on a take-away table at the meeting. For further information call: (732) 292-1100, fax (732) 292-1111 or write: The Electronic Commerce Information Center, P.O. Box 456, Dept. 24, Allenwood, NJ 08720, at least two months before your meeting.

e-HEALTHCARE MARKET REPORTER

To order **e-Healthcare Market Reporter**, call (888) THE-MCIC, fax (888) FAX-MCIC, or complete and return this form to The Managed Care Information Center, 1913 Atlantic Avenue, Suite F4, Manasquan, NJ 08736.

\$577 - 1 year (24 issues)

- New Subscription
- Renewal Subscription

- Payment Enclosed
- Bill Me (Purchase Order Required)

Name _____ Title _____

Organization _____

Address _____

City _____ State _____ Zip _____

Phone (Include Area Code) _____ Fax _____ E-Mail _____

AmEx MC Visa Card Number _____ Exp. Date _____

Choice of format PDF HTML Print

HEHMR1