

107TH CONGRESS  
1ST SESSION

# S. 1684

To provide a 1-year extension of the date for compliance by certain covered entities with the administrative simplification standards for electronic transactions and code sets issued in accordance with the Health Insurance Portability and Accountability Act of 1996.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 14, 2001

Mr. DORGAN (for himself, Mr. CRAIG, Mr. BAUCUS, Mr. GRASSLEY, Mr. BAYH, Mr. BENNETT, Mr. CARPER, Ms. COLLINS, Mr. CRAPO, Mr. ENSIGN, Mr. HOLLINGS, Mr. HUTCHINSON, Mr. INHOFE, Mr. KYL, Mrs. LINCOLN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. SMITH of Oregon, and Mr. FRIST) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To provide a 1-year extension of the date for compliance by certain covered entities with the administrative simplification standards for electronic transactions and code sets issued in accordance with the Health Insurance Portability and Accountability Act of 1996.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. 1-YEAR EXTENSION OF DATE FOR COMPLIANCE**  
 2 **BY CERTAIN COVERED ENTITIES WITH AD-**  
 3 **MINISTRATIVE SIMPLIFICATION STANDARDS**  
 4 **FOR ELECTRONIC TRANSACTIONS AND CODE**  
 5 **SETS.**

6 (a) IN GENERAL.—Notwithstanding section  
 7 1175(b)(1)(A) of the Social Security Act (42 U.S.C.  
 8 1320d–4(b)(1)(A)) and section 162.900 of title 45 of the  
 9 Code of Federal Regulations—

10 (1) a health care provider shall not be consid-  
 11 ered to be in noncompliance with the applicable re-  
 12 quirements of subparts I through N of part 162 of  
 13 title 45 of the Code of Federal Regulations before  
 14 October 16, 2003; and

15 (2) a health plan (other than a small health  
 16 plan) or a health care clearinghouse shall not be  
 17 considered to be in noncompliance with the applica-  
 18 ble requirements of subparts I through R of part  
 19 162 of title 45 of the Code of Federal Regulations  
 20 before October 16, 2003.

21 (b) SPECIAL RULES.—

22 (1) RULES OF CONSTRUCTION.—Nothing in  
 23 this section shall be construed—

24 (A) as modifying the October 16, 2003,  
 25 date for compliance of small health plans with

subparts I through R of part 162 of title 45 of the Code of Federal Regulations; or

(B) as modifying—

(i) the April 14, 2003, date for compliance of a health care provider, a health plan (other than a small health plan), or a health care clearinghouse with subpart E of part 164 of title 45 of the Code of Federal Regulations; or

(ii) the April 14, 2004, date for compliance of a small health plan with subpart E of part 164 of title 45 of the Code of Federal Regulations.

(2) APPLICABILITY OF PRIVACY REQUIREMENTS TO CERTAIN TRANSACTIONS PRIOR TO STANDARDS COMPLIANCE DATE.—

(A) IN GENERAL.—Notwithstanding any other provision of law, during the period that begins on April 14, 2003, and ends on October 16, 2003, a health care provider or, subject to subparagraph (C), a health care clearinghouse, that transmits any health information in electronic form in connection with a transaction described in subparagraph (B) shall comply with the then applicable requirements of subpart E

1 of part 164 of title 45 of the Code of Federal  
2 Regulations without regard to section 164.106  
3 of subpart A of such part or to whether the  
4 transmission meets any standard formats re-  
5 quired by part 162 of title 45 of the Code of  
6 Federal Regulations.

7 (B) TRANSACTIONS DESCRIBED.—The  
8 transactions described in this subparagraph are  
9 the following:

10 (i) A health care claims or equivalent  
11 encounter information transaction.

12 (ii) A health care payment and remit-  
13 tance advice transaction.

14 (iii) A coordination of benefits trans-  
15 action.

16 (iv) A health care claim status trans-  
17 action.

18 (v) An enrollment and disenrollment  
19 in a health plan transaction.

20 (vi) An eligibility for a health plan  
21 transaction.

22 (vii) A health plan premium payments  
23 transaction.

24 (viii) A referral certification and au-  
25 thorization transaction.

1 (ix) A transaction with respect to a  
 2 first report of injury.

3 (x) A transaction with respect to  
 4 health claims attachments.

5 (C) APPLICATION TO HEALTH CARE  
 6 CLEARINGHOUSES.—For purposes of this para-  
 7 graph, during the period described in subpara-  
 8 graph (A), an entity that would otherwise meet  
 9 the definition of health care clearinghouse that  
 10 processes or facilitates the processing of infor-  
 11 mation in connection with a transaction de-  
 12 scribed in subparagraph (B) shall be deemed to  
 13 be a health care clearinghouse notwithstanding  
 14 that the entity does not process or facilitate the  
 15 processing of such information into any stand-  
 16 ard formats required by part 162 of title 45 of  
 17 the Code of Federal Regulations.

18 (c) DEFINITIONS.—In this section—

19 (1) the terms “health care provider”, “health  
 20 plan”, and “health care clearinghouse” have the  
 21 meaning given those terms in section 1171 of the  
 22 Social Security Act (42 U.S.C. 1320d) and section  
 23 160.103 of part 160 of title 45 of the Code of Fed-  
 24 eral Regulations;

1           (2) the terms “small health plan” and “trans-  
2           action” have the meaning given those terms in sec-  
3           tion 160.103 of part 160 of title 45 of the Code of  
4           Federal Regulations; and

5           (3) the terms “health care claims or equivalent  
6           encounter information transaction”, “health care  
7           payment and remittance advice transaction”, “co-  
8           ordination of benefits transaction”, “health care  
9           claim status transaction”, “enrollment and  
10          disenrollment in a health plan transaction”, “eligi-  
11          bility for a health plan transaction”, “health plan  
12          premium payments transaction”, and “referral cer-  
13          tification and authorization transaction” have the  
14          meanings given those terms in sections 162.1101,  
15          162.1601, 162.1801, 162.1401, 162.1501,  
16          162.1201, 162.1701, and 162.1301 of part 162 of  
17          title 45 of the Code of Federal Regulations, respec-  
18          tively.

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