

## Connectyx Technologies HIPAA Statement and Overview

Last Update: June 2009

In 1996, Congress enacted and President Clinton signed the Health Insurance Portability and Accountability Act (HIPAA). This law ensures continuity of healthcare coverage for individuals changing jobs; includes a provision that impacts on the management of health information; seeks to simplify the administration of health insurance; and aims to combat waste, fraud, and abuse in health insurance and health care.

One purpose of HIPAA is to protect health information by establishing transaction standards for the exchange of health information, security standards, and privacy standards for the use and disclosure of individually identifiable health information. HIPAA applies to health plans, health care clearing houses and health care providers.

The administrative simplification provision of HIPAA has three major requirements:

- Protection for the privacy of Protected Health Information
- Protection for the security of Protected Health Information
- Standardization of electronic data interchange in healthcare transactions

Connectyx Technologies Corporation and its subsidiaries comply with all Federal and State, HIPAA standards, regulations and laws.

Connectyx and its products; MedFlash, MRN Manager, MedSync and subsidiaries companies understands the importance of data integrity as well as the concerns of its customers, associates and strategic partners. That is why Connectyx has made the HIPAA standards one of its top priorities with regard to the company's compliance policy.

Furthermore, Connectyx continues to use the latest technological devices, products and services to ensure that all data transmitted in and out of our Networks, Internet, and Intranet are 100% 128 bit data encrypted and secure.

For detailed reference on HIPAA we have provided a direct link to the Government Web Site at: <http://www.hhs.gov/ocr/hipaa>

As Stated under the HIPAA Privacy Rule; 160.103 MRN Manager is considered a "Business Associate". One of our roles as your associate under the HIPAA regulations is to ensure that your information is protected and remains confidential while under our control.

It is important to note that you as a Healthcare provider must have a written "Privacy Policy" and provide that to all of your patients. In that notice you must disclose that your "business associates" will share in their information so that you may perform your standard healthcare procedures, operations and transactions. Once you have notified your patients about sharing information with an approved business associate, you will not have to repeat this process.

Under HIPAA guidelines referencing limited data sets, MRN Manager is permitted to utilize data for benchmarking in the aggregate form. The reason for this is that it is not

possible to identify any specific patient information and or provider information. We provide this service as part of our Bench Marking - Reporting Program to you and other MRN Manager Customers.

#### HIPAA Facts

It is estimated that more than \$.20 of every healthcare dollar is spent on administrative overhead, with an additional \$.11 of every healthcare dollar spent fraudulently.

When fully implemented, it is conservatively estimated that HIPAA transactions will save providers \$9 billion annually.

The Department of Health and Human Services (DHHS) considers "Administrative Simplification [of HIPAA]...to be the most significant healthcare law to create sweeping changes in the health industry since Medicare."

DHHS also indicated that the "financial impact from implementing the required changes are expected to rival and perhaps exceed the cost of fixing the Y2K problem.

HIPAA does not mandate Electronic Data Interchange (EDI), but requires the use of specific ANSI standards if EDI is used.

The implementation of EDI - coupled with strong security practices - is designed to streamline operations, reduce costs, prevent fraudulent activity, protect patient privacy, and improve data and systems security.

For any questions or concerns about our HIPAA or security policies or practices, please contact:

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