

# Case Studies



## Blue Cross & Blue Shield of Rhode Island

### **Situation:**

Rhode Island's largest health care payor rushes to meet an aggressive 2001 deadline for making its information systems comply with the administrative simplification standards of the 1996 Health Insurance Portability and Accountability Act (HIPAA).

### **Business objective:**

Because it processes Medicare claims, Blue Cross & Blue Shield of Rhode Island (BC&BSRI) must quickly meet HIPAA standards for simplifying electronic claims transactions and protecting patients' privacy. The insurer also wants to implement new e-market ventures.

### **Key business challenges:**

Develop a strategic IT plan that is quick, cost-effective, and takes into account BC&BSRI's future e-business plans.

### **Key technical challenges:**

Assure that electronic data interchange (EDI) transactions conform to HIPAA's data standards and that information systems, administrative processes, and policies meet HIPAA privacy and security standards.

### **Solutions:**

A team from IBM's HIPAA and health care consulting practices helped BC&BSRI assess its business processes and procedures for compliance, analyze EDI transactions, and design a technology solution that can both meet HIPAA requirements and handle e-business ventures.

### **Results:**

Solution design work is underway on the EDI project and on browser-based applications for eligibility and claims status. Blue Cross plans three e-market ventures: hand-held devices for physicians to order prescriptions; and two Internet portals, one called My Secure Blue for patients, and another for health-care providers.

### **Company report card:**

"We view HIPAA as an opportunity, since its standard data format, security, and privacy requirements will enable us to enter new markets, be more competitive and deliver the best possible health care to Rhode Islanders," said William Boffi, the CIO of BC&BSRI.

**Significance:**

When new requirements mandate large-scale IT projects, seize the opportunity to transform your business.