

ALPH SOUP



ALPHABET OF HEALTHCARE

By Stacey Moore

With an increasingly complex health system, one of the challenges that nurses face today is understanding the alphabet soup of healthcare regulations. State and federal governments and industry regulations heavily govern healthcare and how nurses practice. Considering the healthcare industry's current focus on quality control, corporate compliance and patient confidentiality, understanding regulatory mandates are a must in today's healthcare arena. Here are some of the agencies and other organizations that regulate national health issues and affect how nurses practice.

Department of Health and Human Services (DHHS)

DHHS is the U.S. government's principal agency responsible for protecting the health of all Americans. This agency provides humanitarian services to the individuals least capable of providing for themselves. This department oversees more than 300 programs including medical and social science research; food and drug safety; the outbreak of infectious diseases; child abuse; and financial assistance and services to low-income families (U.S. DHHS, 2005).

DHHS is the largest grant-awarding agency in the federal government, providing more grant dollars annually than all other federal agencies combined. It administers the Medicare and Medicaid programs, which provide healthcare for roughly one out of every four Americans. In order to achieve goals, it is necessary for the Department to work closely with state, local, and tribal governments. Its programs are administered by eleven DHHS operating divisions, two of which are discussed later (U.S. DHHS, 2005).

Food and Drug Administration (FDA)

One of the operating divisions of DHHS is the FDA. The FDA is favorably thought of in America and is reputed as one of the nation's most respected consumer protection agencies. The FDA's mission is simply to promote and protect the public's health by helping safe and effective products reach the market in a timely fashion. In addition, they monitor the safety of products after they are in use. So what has the FDA done for healthcare lately? Here are a few examples of what the FDA has been responsible for recently:

Medical breakthroughs.

Streamlined the process to help speed important medical treatment to patients. The average review time is approximately six months for an innovative new drug.

Safer food. A new initiative promotes safer food handling and more effective detection, tracking, and prevention of food-borne illnesses.

Safety of our nation's blood supply. Improves safety practices in blood and plasma banking. They help the industry to use new, more accurate tests to detect hazards in the nation's blood supply.

Medicines, Biologics, and Medical Devices. It is important for medical products to be proven safe and effective before distribution. By law, it is the responsibility of the FDA to regulate all medical devices, from very complex technologies such as pacemakers and dialysis machine to simple tongue depressors.

Labels. The FDA regulates product labels to ensure that they are truthful and that useful information is provided to consumers so they can make safe, healthy decisions when using them.

The FDA uses product standards and regulations as benchmarks to identify specific requirements. Manufacturers must follow the specified requirements to assure product safety and to provide accurate infor-



What's a

mation to health professionals and consumers. In addition, the FDA works with foreign governments making sure that foreign standards are equivalent to those enforced here in America, so that imported products are safe and of good quality. Americans come into contact with a host of FDA regulated products and these products account for about 25 cents of every consumer dollar spent (USDA, 2004).

The FDA faces many challenges for the future. Scientists will need to keep up with rapidly advancing technologies in all product areas. As tougher strains of antibiotic-resistant bacteria and more dangerous food-borne illnesses appear, the FDA will need to be prepared to respond rapidly to unexpected health risks. As international commerce continues to grow, the monitoring of imports and cooperation with foreign regulators will become increasingly more important. Finally, with today's savvy consumer and the availability of information, from the internet and

media, the FDA will be challenged to ensure that consumers are getting the information they need from the right sources (USDA, 2004).

Centers for Medicare and Medicaid Services (CMS)

CMS is another operating division that falls under the umbrella of DHHS. This division administers the Medicare and Medicaid programs and the State Children's Health Insurance Program. CMS is the regulatory agency for all laboratory testing done on humans in the United States and along with the Departments of Labor and Treasury, helps Americans and small companies obtain and maintain health insurance coverage. CMS also helps to eliminate health insurance discrimination (CMS: CMS at a Glance, 2004).

Due to a history of fraud and abuse to government programs, this division established strict policies for reimbursing healthcare providers, which resulted in Diagnostic Related



HIPAA?

Groups (DRGs) and Ambulatory Payment Classification (APCs) programs. These are payment methods used by Medicare: DRGs apply to inpatient procedures and APCs for outpatient procedures. For Medicaid patients, health organizations are paid on a per diem rate.

Failure to comply with regulations set forth by the federal government can result in fines and criminal penalties for hospitals and providers. As a result of federal regulations set forth by the government, hospitals have hired corporate compliance officers to oversee billing practices, among other things. Furthermore, hospitals have installed hotlines so that individuals can report compliance alerts at any time in a confidential manner.

One of the programs CMS oversees is the **Health Insurance Portability and Accountability Act of 1996**, commonly referred to as HIPAA. This law has had an immense impact on healthcare. HIPAA applies to all healthcare providers: hospitals, physicians, insurance companies

labs, home care companies and surgery centers. The Administrative Simplification Privacy Rule of HIPAA, which has been in effect since April 14, 2003 sets national standards for the protection of patient information. The act requires that healthcare providers must reasonably safeguard all forms of patient health information (PHI) - verbal, written, and electronic. The Privacy Rule has led providers to install "shred-it" containers in clinical areas for PHI, create policies that prohibit the transmission of PHI in email messages and protect computer screens and printers so that PHI is not disclosed to any person not involved with the patient's care. Nurses and other healthcare providers who do not comply with HIPAA laws are subject to workforce disciplinary action, fines and possible criminal penalties (CMS: HIPAA, 2006).

CMS also administers the **Emergency Medical Treatment and Active Labor Act**, also known as EMTALA. This act was passed as part of the Consolidated Omnibus

Budget Reconciliation Act (COBRA) in 1986 and is at times referred to as the COBRA Law. The purpose of this act is to prevent hospitals from rejecting patients or refusing treatment based on their ability to pay. EMTALA applies to hospitals that have provider agreements under which they accept payments from the Department of Health and Human Services, which includes Medicaid, Medicare or State/Federal grants. Most of this act's provisions apply to hospitals, but since people run hospitals EMTALA requirements are imposed upon the healthcare providers. Nurses must be aware of the essential provisions of the statute which are the following: provides for a medical screening examination to any patient presenting to the Emergency Department, restricts transferring a patient who exhibits an "emergency medical condition" or is in active labor, and compels that treatment be administered if an "emergency medical condition" exists. Additionally, hospitals are required to post a sign notifying patients and visitors of their rights (Fosmire, 2003).

Occupational Safety and Health Act (OSHA)

OSHA was implemented in 1970 when the United States Congress found that personal injuries and illnesses resulting from work situations imposed a substantial hindrance to interstate commerce in terms of disability compensation payments, lost production, wage loss, and medical expenses (U.S. Department of Labor Occupational Safety & Health Administration: Congressional Findings and Purpose, 2005). Almost every employed man and woman in the United States is under OSHA's jurisdiction. OSHA is made up of inspectors, complaint discrimination investigators, doctors, educators, engineers, and standards writers. This diverse staff establishes and

As you can see, OSHA is weaved into the everyday practice of nursing. It is important that nurses remain aware of OSHA's importance in protecting themselves and their patients.

enforces protective standards and employers are required to comply (U.S. Department of Labor Occupational Safety & Health Administration: OSHA's Mission, 2005). The following are examples of OSHA at work in the healthcare arena: universal precaution and the use of gloves, sharps containers, and biohazard bags; no open containers in clinical areas; no re-capping needles; safety goggles, and Material Safety Data Sheet manuals. As you can see, OSHA is weaved in to the everyday practice of nursing. It is important that nurses remain aware of OSHA's importance in protecting themselves and their patients.

Joint Commission on Accreditation of Healthcare Organizations (JCAHO)

JCAHO is an independent, not-for-profit agency that is governed by a 29 member Board of Commissioners. The Board of Commissioners is multidisciplinary and is made up of doctors, nurses, consumers, ethicists, and quality experts. JCAHO evaluates the quality and safety of care for more than 17,000 organizations and is recognized as a symbol of quality that reflects an organization's commitment to meeting certain performance standards. An evaluation from JCAHO costs organizations thousands of dollars and lots of manpower. So why is

it that so many hospitals voluntarily seek accreditation from JCAHO? Because of its numerous benefits:

1. Leads to better patient outcomes;
2. Demonstrates a commitment to patient safety and quality care;
3. Enhances recruitment and retention efforts;
4. May substitute for federal certification surveys for CMS;
5. Enhances the ability to secure Managed Care contracts;
6. Improves the organization's image to consumers;
7. Fulfills requirements for licensing in many states;
8. Recognized by third parties;
9. Improves community confidence.

JCAHO is the "gold standard" for quality and sets the standards by which healthcare quality is measured in America. In addition, patient rights, infection control, and the treatment of patients are evaluated (JCAHO: About Us, 2004).

The regulatory agencies discussed provide the backbone for healthcare in the United States. As healthcare continues to focus on quality control, safety, corporate compliance and

patient confidentiality, it is important for nurses to obtain a basic understanding of the agencies that govern our industry. Keeping current is a challenge for nurses. Regulatory agencies are here to stay. The more informed you are, the safer and more enhanced patient care will be. ©

references

- Center for Medicare and Medicaid Services. (September 16, 2004). CMS at a glance. Retrieved from www.cms.hhs.gov/about/overview.asp
- Centers for Medicare and Medicaid Services. (September, 2004). The Health Insurance Portability and Accountability Act of 1996 (HIPAA). Retrieved from www.cms.hhs.gov/hipa/
- Fosmire, M.S. (2003). Frequently Asked Questions about the Emergency Medical Treatment and Active Labor Act. Retrieved from www.emtala.com/faq.htm.
- Joint Commission on Accreditation of Healthcare Organizations. (July 2004). About Us. Retrieved from www.icafo.org/about+us/jcaho/facts.html
- United States Department of Health & Human Services. (February, 2005). What We Do. Retrieved from www.hhs.gov/about/whatwedo.html/
- United States Food and Drug Administration. (2004) Protecting Consumers, Protecting Public Health. August 2004. Retrieved from www.fda.gov/oc/opa.com/fda101/fda101_text.html
- United States Department of Labor Occupational Safety & Health Administration. (January, 2005). OSH Act of 1970 Sec.2. Congressional Findings and Purpose. Retrieved from: www.osha.gov/pls/oshaweb/owadisp.showdocument?p_table=OSHACT&p_id=3356.
- U.S. Department of Labor Occupational Safety & Health Administration. (April, 2005). OSHA's Mission. April 4, 2005. Retrieved from www.osha.gov/oshinfo/mission.html.



Stacey Sandlin Moore, MPA, RN, is an administrative supervisor, Woman's Hospital, Baton Rouge, LA. She's served as adjunct faculty at Our Lady of the Lake College in Baton Rouge, LA,

and her area of interest is healthcare systems and trends.