# HIPAA HAS LED TO DESIGN CHANGES AT MEDICAL BUILDINGS AND HEALTHCARE INSURANCE COMPANY FACILITIES

Developers and commercial general contractors who build healthcare facilities have more stringent requirements to be in compliance with regulatory laws. While everyone in the construction industry is intimately familiar with OSHA regulations, HIPAA is one that they may not be as familiar with and is more directly related to medical facilities. Developers in the medical space that are doing renovations on existing properties or building new ones should have a good understanding of this law and how it can affect their design and building processes.



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The Health Insurance and Portability and Accountability Act or more commonly known as HIPAA became law in 1996. The law was designed to protect individual privacy while increasing efficiency in healthcare, and reduce fraud and waste. It requires that personally identifiable information that is maintained by the healthcare and healthcare insurance industries be protected from fraud and theft. This includes paper, electronic and oral communication methods. These regulations are enforced by the United States Dept. of Health and Human Services Office for Civil Rights and the Attorney Generals of each state.

The requirement that personally identifiable information be protected, used to be only construed to protect the physical documents themselves, but now includes protecting information that can be overheard between a patient and a doctor. Knowing the requirements established in HIPAA is important for a person in commercial real estate because it establishes requirements that must be met for commercial real estate to be used as a medical building or a healthcare insurance company. According to the law, commercial contractors are considered "business associates" that perform a function or activity for a covered entity, like a hospital. Therefore it is important to understand some of the details of this law and how it can affect design and building activities on your property.





## HIPAA SPEECH PRIVACY

Oral privacy is definitely a concern in a hospital setting and the way medical buildings are built has an impact on patient privacy. This impact can be seen in transporting a patient from room to another and at the same time passing the patient off from one doctor to another. This transfer necessitates oral communication between both of the doctors. Another example where oral privacy is needed and can save the hospital money in the long run, is obtaining patient information. Patients are far more likely to reveal embarrassing but pertinent information if no one else can hear them.

There are four things that the Department of Health and Human Services is looking for when it comes to HIPAA compliance. First any solution needs to be based upon an accepted standard like those espoused by the American Society of Testing and Materials (ASTM), the National Standards Institute (NSI) and the International Standards Organization. The second thing DHHS will do is ask if you followed by the "best practices." Third, they will look for solutions that can be measured and observed in an objective manner. DHHS will expect you to comply without making expensive fixes.

One of the things that needs to be done is establishment of physical protections that can stop an unauthorized person from gaining access to data storage areas in a medical building or healthcare insurance facility. Facilities which hold a patient's private information must have safeguards to prevent unauthorized physical access. An example of where an entity was fined for failing to establish physical protections was the University of California Los Angeles Health System. They were fined \$865,000 for failing to restrict access to their medical records. One of the employees was jailed for four months.

An important rule in this time of Covid-19 is that the privacy requirements of HIPAA may be waived in times of a natural disaster. This could permit medical buildings to be built in a more expedited fashion if it becomes necessary.





## HIPAA PHYSICAL SAFEGUARDS

While many of the items relating to HIPAA physical safeguards are related to interior finish items, it is still important for commercial contractors to be aware of them.

- Patient charts should not be visible to other patients or visitors.
- Computer screens with patient information should not be visible to others.
- Related to speech privacy, contractors can install noise reducing features such as acoustic
  panels near the reception area, NCR-rated ceiling tiles and cubical curtains to lessen sound
  transmittals.

There are at least three reasonable safeguards that can help meet HIPAA's speech privacy standards. Those three ways involve absorbing sound, blocking sound and covering up sound. According to Kenneth P. Roy, senior research scientist at Armstrong World industries if you use all three ways, you will be able to meet HIPAA's privacy requirements. Roy has stated that need for electronic sound masking systems is being driven by government regulations and legal requirements and being used in areas which are open plan office areas.

#### CONCLUSION

The failure of a hospital or healthcare insurance company to comply with these regulations established in HIPAA can lead to lawsuits and fines. The possibility of lawsuits and being held in violation of HIPAA drive construction requirements to help stay within compliance of HIPAA regulations. Design considerations most often come into play for construction companies when they are performing renovations to existing facilities. Another possible consideration would be when modifying the use of an existing property, such as a vacant mall that is repurposed for a medical clinic. While the onus of compliance falls on the covered entity, developers should be made aware of the provisions of this regulation to better plan building features and better understand designs.



#### ABOUT CIVE® -

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Our strengths lie in a rich mix of talent, experience and ingenuity. Our clients can depend on us to anticipate industry changes and plan for the future, while providing most practical and cost-effective solutions. CIVE® devotes customized, individual service to all its clients, whether large or small.

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