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Is Data and Software Solution Standardization the Wave of the Future?

By [Stephanie Chandler](#) and [Jeff Drummond](#)

Most companies in almost any industry find software implementation and data management are key to their current and future success. This is certainly true in the technology-dependent healthcare industry, which by some accounts makes up one-seventh of the US economy. It is interesting, therefore, to keep a watch on what is happening in the health care arena and consider potential reverberations in your industry.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) was an omnibus statute that did a number of things, including ensuring health insurance portability as employees move from one job to the next and the protection of medical information. One of the stated goals of HIPAA was setting national standards for transactions involving healthcare data. Just this week, the HIPAA transaction and code sets (TCS) transaction standard for claims attachments has been published. [You can find it by clicking here.](#) The TCS provisions of HIPAA are designed to set standards for EDI (electronic data interchange) so that health industry participants are all using the same format and content for similar electronic information. Given interoperability and efficiency desires, it is important that all electronic claims be structured alike, all electronic payments be structured alike, all electronic requests to confirm eligibility be structured alike, etc. The same desire for uniformity holds true for claims attachments, the extra information attached to a claim to prove what was done, that it was medically necessary, etc. The government has determined that if it is a national goal for this type of information to move seamlessly in an electronic data interchange environment, then the forms and content need to be standardized and; therefore, have required this standardization by law.

Is this a harbinger of what may be to come in other industries? Obviously, electronic transactions have many advantages over paper or other non-electronic transactions. But for EDI to become a major component in an industry, all industry participants must be reading from the same playbook and playing by the same rules. In many industries, this type of standardization occurs naturally, or by the participation of industry leaders in standard-setting organizations such as the American National Standards Institute (ANSI). In some industries where the participants vary greatly in size, complexity, mission, and capabilities, such as the healthcare industry, a nudge from the government is required to get industry participants to adopt standards. Whatever industry you participate in, you should expect standardization to be the trend.

While HIPAA's TCS rules focus on standardizing EDI transactions, another interesting development has also arisen in the healthcare

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industry: government software solutions provision. Search on Google® for Electronic Medical Records (EMRs) and you will find numerous companies providing a broad array of software and hosted software-based services solutions provided to doctors and other health care providers. In an industry where demands for solutions have resulted in substantial revenue opportunities, it is disconcerting for many that the government has determined that it will provide its own software solution FOR FREE. CMS has released an "evaluation" version (or "beta" version) of the Veteran's Administration's (VA's) electronic medical record system, known as "[VISTA](#)." As previously announced, as a part of the Federal government's initiative in pushing EMRs, CMS decided to make the VA's EMR program available for free to whomever wanted it. [Click here for more information](#). You can get more information about the evaluation version, including advice on whether a particular health care provider's site would make a good beta site, [by clicking here](#). Popular opinion is that VISTA is not the easiest program to work with, and that medical practices that take advantage of the "free" program will still have to pay someone to install it, train employees on it, and maintain it, but is this also a harbinger of what may be to come in other industries? The dichotomy where the software is free and revenue is based on services is not new to those already familiar with open source licensing, however, the impact continues to spread. Many technologists are already familiar with the open source licensing and revenue structure models which have arisen through the adoption of operating systems such as Linux, web servers such as Apache and databases such as MySQL, but it is important when making decisions regarding technology adoption to look at the unique issues which may arise, such as intellectual property protection and an enhanced reliance on maintenance and support agreements with third party consulting services providers. If you have questions or would like additional information regarding the HIPAA Transactions and Code Sets or VISTA, you may contact Jeff Drummond by telephone at (214) 953-6000 or by e-mail at jdrummond@jw.com. If you have questions or would like additional information regarding legal issues related to electronic data interchange agreements or open source or other software licensing, you may contact Stephanie Chandler by telephone at (210) 978-7700 or by e-mail at schandler@jw.com.

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