



**HIPAA overregulation is unintentionally devastating over 2,000 small businesses and threatening tens of thousands of jobs!**

The Health Insurance Portability and Accountability Act (HIPAA) was originally designed to protect people's privacy from information sharing that might affect an individual's ability to obtain insurance and to protect their medical records. Unfortunately, regulators have created a one-size-fits-all blanket definition that seriously affects businesses like the Telephone Answering Services (TAS) and others that handle little-to-no Personal Health Information (PHI). This overcorrection has actually created an artificial HIPAA compliance business niche that unnecessarily costs the TAS industry thousands of dollars and hundreds of man-hours a year in "compliance" for fear of running afoul of the blanket definition.

ATSI feels that **Congress should take action and create a de minimis exemption or carve out** due to our very limited contact with medical offices and for the fact that we do not pass along any PHI, diagnosis, or have access to any medical records. Our job is to simply pass on a message (by phone or by text) that usually contains a person's name, number, and general issue (i.e. Jane Doe would like to see Dr. Jones because she has a high temperature).

That is the extent of our interaction and we only act as a pass-through answering service, but the industry has been scared into over compliance and these very small business (most under \$500,000 annual revenue) are forced to create complex compliance programs similar to what major hospitals are required to have.

Below is just a sample of some of the items forced upon these small businesses.

- Increased costs for new or additional Error & Omission insurance to include higher coverage in the event of litigation
- Employee training and awareness (approximately 40 hours a year equating to around \$1000 per year per employee). Tracking the employee training compliance also adds additional costs
- Training/Staffing an In House Privacy Officer therefore incurring additional payroll costs
- Documenting all policies and procedures including training
- Reviewing and upgrading the network infrastructure for all security and privacy issues to identify and protect any PHI
- Purchasing specialized secured delivery platforms for all messages via text and email
- Creating and establishing a Business Associate agreement with all subcontractors and overseeing their performances and processes
- Spending time chasing down medical clients that refuse to sign the Business Associate agreement, resulting in lost business because some refuse to sign the agreement.

The issue all comes down to a question of exposure and fairness. ATSI believes that our limited interaction with patients DOES NOT constitute any transmission of PHI and therefore the TAS industry should not be forced to implement these burdensome and costly compliance measures.

ATSI has testified before the Small Business Administration and they have asked for a response from the Department of Health and Human Services. Their “non” response is included in this packet and demonstrates the need for direct Congressional interaction to direct HHS to create de minimis exemptions for industries like ours that simply don’t fit into the blanket definition HHS has created.

Below are some facts about our industry. We believe that the government should be helping small businesses and their employees succeed and achieve the American Dream, not putting up roadblocks and intimidating small businesses with the fear of excessive fines that literally could bankrupt a business.

Founded in 1942, the Association of TeleServices International (ATSI) represents 400 of the most sophisticated telephone answering service companies in the world. With over 350,000 customers in the U.S. alone, the members generate revenue in excess of \$1.5 billion. The industry provides vital diligence to the 24/7 communications links required between the public and professional, commercial and government clients of the industry and includes telephone answering services, voice-mail services and any other business which provides enhanced communication services.

By the numbers:

- The industry provides services to an estimated **1,388,893 customers**, each of these accounts requiring the use of a direct inward dial (DID) number.
- The industry processes an estimated **3.6 billion** call transactions annually.
- The industry estimates there are over **2,700 companies** operating businesses in the United States.
- The industry estimates the average sales of an individual company in the telephone answering service industry is **\$552,170**.
- There are an estimated **44,711** full-time employees in the industry.

ATSI understands the purpose behind the original intent of HIPAA and applauds the government for protecting people’s privacy. Unfortunately, regulations can sometimes be taken to the extreme and unintentionally have a negative effect on some businesses. That is certainly the case here.