



Overview of Administrative Simplification

Overview

Administrative Simplification requirements, part of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), govern how providers, health plans, and clearinghouses handle electronic, administrative transactions and set privacy and security standards for transmitting health information. This is done by developing and enforcing regulations that adopt standards, operating rules, unique identifiers, and code sets that these types of individuals and organizations, known as HIPAA covered entities, are required when conducting administrative health care transactions, such as eligibility and benefits inquiries, prior authorizations, and claims payment.

Vision

Administrative Simplification is the idea that the health care industry can reduce burdens and lower costs by standardizing business practices. When electronic administrative tasks between players in the health care industry are conducted the same way across all covered entities, the industry can automate many of its billing and payment processes. This reduces time spent on administrative tasks and saves health care dollars.

Additional Resources

- [HIPAA Administrative Simplification Resources and FAQs](#)
- [Administrative Simplification Email Updates](#)
- [@CMSgov on X \(Twitter\)](#)
- [Administrative Simplification YouTube Playlist](#)

Enforcement

CMS, on behalf of HHS, administers [Compliance Review Program](#) to ensure compliance among covered entities with HIPAA Administrative Simplification rules for electronic health care transactions.

The [Administrative Simplification Enforcement and Testing Tool \(ASETT\)](#) is a free tool that can be used to file a complaint against a HIPAA covered entity for noncompliance with HIPAA Administrative Simplification requirements. When filing a complaint, the complainant has the option to remain anonymous to the filed-against entity. It also allows users to test their own electronic health care transactions and their trading partners' transactions for compliance with HIPAA standards..

If [CMS](#) identifies a covered entity that is noncompliant with a CMS Administrative Simplification Requirement, CMS works to ensure that the covered entity comes into compliance through corrective action and the provision of technical assistance.

Subregulatory Guidance

Subregulatory Guidance helps HIPAA covered entities, their partners, and the health care community comply with statutory and regulatory requirements for standards for electronic health care transactions and operating rules by providing [Guidance Letters](#), [Information Bulletins](#), and [Frequently Asked Questions \(FAQs\)](#) documents.