



NewsRelease

NACDS FOUNDATION MAKES UNDERSTANDING HIPAA STATE LAWS EASY FOR COMMUNITY PHARMACIES

Analysis of State Law Helps Pharmacies Implement Both State and New Federal Privacy Standards

Alexandria, VA-February 4, 2003—Community pharmacies can quickly access a new HIPAA analysis of state law provided by the NACDS Foundation by clicking onto www.NACDSFoundation.org. The *HIPAA Preemption Analysis* provides a state-by-state overview of privacy laws. In addition to following the new HIPAA guidelines, the study also reminds pharmacies of existing state privacy rules to which they must continue to adhere.

“All community pharmacies need this information to help them successfully navigate through state and federal privacy laws and comply with the rules,” said Kurt A. Proctor, Ph.D., President of the NACDS Foundation. “This analysis is an excellent first project for the new NACDS Foundation as it provides critical assistance to community pharmacies and helps them meet the needs of the patients they serve.”

The law firm of Mintz Levin conducted the NACDS Foundation's HIPAA analysis and offers several unique features, including detail analysis of parent/minor laws in each state jurisdiction. One of the most helpful features is suggested language for a pharmacy's notice of privacy practices.

“The NACDS Foundation's analysis is the only pharmacy-focused HIPAA preemption analysis we have seen,” said Don Bell, Vice President of Legal Affairs for the National Association of Chain Drug Stores (NACDS). “Other analyses attempt to cover all providers, which means they include state privacy standards that may not apply to pharmacies,” Bell observed.

Support for the project came from contributions from many chain community pharmacy companies and a grant from the Community Pharmacy Foundation. The NACDS Foundation is continuing to accept contributions toward the cost of the analysis and future updates.

Background on HIPAA privacy regulations

HIPAA's privacy regulations set the “floor” for compliance - that is, they do not preempt state laws that are more stringent than the federal requirements. As a result, if a state law is not preempted, pharmacies are required to maintain compliance with the state law requirement in addition to the HIPAA privacy regulations. Non-preempted state laws may necessitate programmatic changes to pharmacy management systems, a revised notice of privacy practices, different practices with respect to minors' prescription records, and state-specific policies and procedures.

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Unlike a typical survey of state law, a pharmacy-specific survey and analysis for HIPAA purposes requires detailed knowledge of the HIPAA requirements to determine whether a state law is applicable, and whether it is “more stringent than,” and/or “contrary to” the HIPAA privacy standards. Moreover, to conduct this survey effectively, knowledge of the privacy regulations’ impact on specific pharmacy operations is essential.

About the NACDS Foundation

The NACDS Foundation is the education, research, and charitable affiliate of the National Association of Chain Drug Stores. Through educational and research initiatives, the NACDS Foundation supports programs that advance the chain pharmacy industry for the benefit of the public it serves. In addition to its own initiatives, the NACDS Foundation supports other educational and charitable causes across the country.