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Business and Management: HIPAA

HIPAA is the abbreviation of the Health Insurance Portability and Accountability Act of 1996. The main goal or objective of this act or a federal statute is to assist the individuals known as consumers to maintain the coverage of their insurance or insurance coverage. But on the other side, the act also involves a separate set of provisions that are known as Administrative Simplication. The aim or purpose of this section is to improve the effectiveness and overall efficiency of the health care system (Nosowsky, and Thomas, P.P. 581). The main components of this section called Administrative Simplification includes;

* Standardize the electronic transmission of main and common financial and administrative transactions e.g. payments and billing etc.
* Unique health identifiers for people or individuals, employers, health care professionals, and health plans.
* Security and privacy standards that are aimed and established to ensure the protection of confidentiality and integrity of information related to each individual.

In short, the main and primary goal of HIPAA is to make it possible easy and convenient for individuals to maintain health insurance, protect all of the confidential information, and ensure security health care details as well as to ensure the control over the costs of healthcare industry and processes (Nosowsky, and Thomas, P.P. 584).

**Pros and Cons of Health Insurance Portability and Accountability Act (HIPAA)**

Some key Pros and Cons of HIPAA are as follows.

Pros

* HIPAA leads to an increase in the personal privacy of individuals’ health care information and decision making.
* It makes sure that any form of discrimination is prevented.
* Enables and allows patients to add to their medical file and support industry and health care professional while assigns role-based security of info on an individual’s role (Nosowsky, and Thomas, P.P. 588).

Cons

* It sometimes increases medical administrative requirements and acquires health care providers to pay fines in case of a light violation
* It does not provide stands to patients when any violation occurs while generates shortcomings in violation of enforcement.

**Work Cited**

Nosowsky, Rachel, and Thomas J. Giordano. "The Health Insurance Portability and Accountability Act of 1996 (HIPAA) privacy rule: implications for clinical research." *Annu. Rev. Med.* 57 (2006): 575-590.