

Good morning and thank you for having me here today. My name is Mike Fultz and I am here on behalf of the Association of TeleServices International, or ATSI. ATSI is the international association of telephone answering services. There are over 2,700 telephone answering services in the country, that employ 45,000 Americans who handle over 3.6 billion calls annually for other Americans in need of assistance. Our members provide after hours telephone answering services for all types of industries including: public utilities, public safety offices, crisis centers like rape and suicide hotlines, and many different medical clients. Chances are if you are in crisis after hours and call for help, you are talking to a telephone answering service.

We are here today to testify and demonstrate how the current Health Insurance Portability and Accountability Act requirements create a tremendous burden to our industry. The original intent of HIPAA is admirable but unfortunately the unintended consequences of over-regulation has put an unreasonable financial burden on many small businesses, especially ours.

The average answering service business annual gross revenues are a little over \$500,000 with razor thin profit margins. Many of these small companies are multi-generational businesses that have serviced the local communities for decades. The compliance training for every employee, having a compliance officer, increased insurance premiums and additional hardware and software needed to simply comply with HIPAA is astounding and costs thousands of dollars a year. These are unnecessary expenditures for an industry that is simply a pass-through messaging service.

To simplify what we do, we want to tell you what an average after hours call for telephone answering services is. Hello, my name is Jane Doe could you please contact the Doctor on call, my son is running temperature of 103 and I would like to speak to the Doctor on call. Please have them call me back at .....

For most of our members that is the extent of the call and should not constitute a violation of any Personal Health Information. As a matter of fact, the call from Jane Doe to her doctor is her consent to share this information for the purpose of setting up a consultation. Unfortunately, many fear that the government would consider this a violation and to that end there has been an entire HIPAA compliance niche market created to sell, or scare, small businesses into buying everything from additional training seminars, Business Associate Agreement software, programs, compliance consultants, insurance and even legal advice that is strictly HIPAA centric. All of this expense for passing on a message from Jane Doe about her child with a fever through a phone message or text of 160 characters or less.

I would like to highlight some additional expenses that clearly demonstrate the burden placed upon the telephone answering services industry. Some of the areas impacted within a company's operation include:

- 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
- Purchase 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
- Time spent chasing down medical clients that refuse to sign the Business Associate agreement. This has resulted in lost business because some refuse to sign the agreement.

I own a telephone answering service in Roanoke, Virginia, and we have personally been negatively affected by the unintended consequences of the overreach of HIPAA regulations. We have spent tens of thousands over the years on this issue. We believe that the government should be helping small businesses and their employees succeed and achieve the American Dream and not putting up roadblocks and intimidating small businesses with the fear of excessive fines that literally could bankrupt a business.

ATSI understands the purpose behind the original intent of HIPAA and applauds the government for looking out for people's privacy.

Unfortunately, regulations can sometimes be taken to the extreme and affect businesses they were never meant to, and that is the case here.

We would respectfully ask the Small Business Administration to assist ATSI in discussions with the Department of Health and Human Services to come up with a de minimis exemption for telephone answering services, which will relieve many of these businesses from the unnecessary burdens, which they currently have on them.

Thank you for your time and consideration.

D. Michael Fultz, ATSI Member