

1. Core Principles for EMR Segregation

- **Day-One Separation:** On the first day of the new business (NewCo), all financial transactions must be attributed to the new entity and its EIN. Services performed before affiliation remain under OldCo and its EIN. This ensures no co-mingling of funds or accounts.
- **Tablespace Approach:** Some EMR vendors (Athena & eClinical Works) support creating a separate “tablespace” for NewCo. This allows providers to retain full patient history while ensuring new services and financials are recorded under NewCo.
- **Revenue Cycle Management:** Practices must implement controls to prevent payments from being posted to the wrong entity. Any misapplied payments should be corrected promptly and reflected accurately in monthly financials.

2. Compliance and Data Handling

- **PHI Protection:** Agreements like CMAP Management Services Agreement emphasize safeguarding ePHI and reporting any breaches or unauthorized disclosures. This includes ensuring subcontractors adhere to the same restrictions.
- **Access and Amendments:** The EMR must allow access to designated record sets and support amendments per HIPAA requirements (45 C.F.R. § 164.524 and § 164.526).

3. CMAP-Specific Considerations

- **Non-Discrimination Compliance:** Each CMAP is responsible for its own compliance testing (e.g., FSA plans). This requires collecting census data and coordinating with TPAs. While not directly EMR-related, it underscores the need for clear data segregation across all systems.

4. Practical Steps

- **Pre-Affiliation Planning:** Confirm with your EMR vendor how to configure separate financial and clinical spaces before Day One. If you are currently utilizing physical servers, have internal conversations to determine the feasibility and desire to implement cloud based EMR processing. Recent conversations with EMR vendors indicate a general trend towards cloud based.
- **Audit Controls:** Implement reconciliation processes for payments and A/R to ensure segregation.
- **Legal Oversight:** Engage Children’s Mercy’s Support Team early to validate the segregation plan and avoid regulatory pitfalls.