

Is my ACCOUNTING SOFTWARE HIPAA Compliant

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TEXT AND LINKS BELOW...

HIPAA compliance can make your head spin, and there are a lot of vendors who can [host your QuickBooks application](#) in the cloud. However, you can't take this decision lightly. It is critical to your clients and your business to ensure that you are using HIPAA compliant accounting software.

Is QuickBooks HIPAA compliant? Read on to find out how to ensure your business is properly protecting client information.

WHAT IS HIPAA?

The Health Insurance Portability and Accountability Act (HIPAA) is a federal law that protects a patient's health information from disclosure without their knowledge or consent. Most people know the law covers the healthcare

industry and traditional medical records and information, like a patient's chart or electronic health records. However, there's more to it than that.

Invoices and medical billing documents often contain protected health information (PHI)—including diagnostic codes and dates of service. If you're a vendor that provides services to the healthcare industry, or you're a healthcare provider yourself, then you need to know that your accounting software applications that hold potential PHI are HIPAA compliant.

The act (and related laws and regulations) identifies two types of organizations that must be HIPAA compliant:

- **Covered entities:** health care providers, plans, and other organizations that normally create, maintain, or share protected health information.
- **Business associates:** organizations or people who perform activities or services for covered entities and have access to PHI. These might include billing companies, IT solutions providers, attorneys, accountants, and other professionals.

Long story, short: If your organization works with PHI, and you are or you work with business associates, there are steps you can take to protect your operations and patients' privacy.

IS QUICKBOOKS HIPAA COMPLIANT? IT DEPENDS

Many businesses use QuickBooks Online for their accounting needs. They enjoy a high degree of security with their client's data – but is it high enough to meet the HIPAA standards?

QuickBooks Online states directly on their site that they do not meet the HIPAA standards for privacy, and they recommend that you should not enter individually identifiable health information into the program. However, there is a solution for keeping your accounting in QuickBooks while maintaining HIPAA compliance. And many other FinTech and online payment/invoicing solutions are also non-compliant, including PayPal, Venmo, and Zelle.

So, what do you do?

You can (and should) partner with a cloud storage provider that is HIPAA compliant, so you can safely and securely use QuickBooks in the cloud. That way, you and your clients can rest assured that you meet the standards for HIPAA compliant accounting software.

RELATED ARTICLE: [How Do I Get HIPAA Compliant QB Hosting?](#)

HOW TO KNOW IF YOUR APPLICATIONS ARE TRULY HIPAA COMPLIANT

Many vendors have protocols in place to make cloud applications technically compliant. However, that's just the beginning. Multi-factor authentication, encryption, and physical safeguards are essential, but a HIPAA compliant IT partner will take it even further, taking its administrative and privacy obligations seriously.

Ask these three critical questions before you partner with a cloud storage provider for accounting applications.

1. DOES THE HOSTING PROVIDER UNDERGO A YEARLY HIPAA AUDIT?

Audits help identify and address risk—and they are an essential part of HIPAA compliance. Internal audits can help you protect PHI, reduce the likelihood of litigation, and help you prepare for a possible federal OCR audit.

A HIPAA compliant provider will undergo a yearly data center and infrastructure audit which complies with current HIPAA standards. Make sure you get a copy of the audit's summary document too.

2. IS THERE A BAA IN YOUR CONTRACT?

You should never work with a provider that won't sign a Business Associate Agreement (BAA). A BAA is a formal agreement that acknowledges each party's duty to protect PHI. Most Business Associate Agreements contain the following information:

- What PHI the provider will have access to
- What safeguards they will use to protect protected health information
- Confirm that the provider will not disclose PHI (except when allowed or required by law)
- Outline how the provider will respond to a data breach
- Confirm that the provider will appropriately train its employees in HIPAA compliance

If a cloud services provider violates its BAA, it might be liable during a breach or OCR audit. And if a potential partner won't sign a Business Associate Agreement for you, this may be a red flag with respect to their willingness to accept liability for any HIPAA violations.

3. IS THE CLOUD STORAGE PROVIDER TRUSTWORTHY AND RESPONSIVE?

When choosing the Cloud Storage Provider that is right for you, trust is crucial. If you don't trust the provider, how can you be confident that they are taking care of all your sensitive data?

Look for an IT partner that is transparent, communicative, and customer centered. At the end of the day, you want to work with someone who is genuinely interested in protecting your critical data and as invested in this process as you are.

RELATED ARTICLE: [Why Did My HIPAA Compliant Cloud Just Get Hacked?](#)

OUR HOSTED QUICKBOOKS SOLUTION IS HIPAA COMPLIANT

It can be challenging to find a cloud partner that assures the security of protected health information. Virtual Systems hosting solutions for QuickBooks, [VS QB Virtual Desktop](#), is proudly HIPAA compliant.

- All data is stored on centrally located servers, instead of on local desktops or devices.
- Servers are located in highly protected data centers, secured with monitored alarm systems, card access, and state-of-the-art temperature and humidity controls.
- Virtual Systems never shares network traffic.
- All client data is transmitted in its own secure virtual network.

Our technical product architecture and security protocols are audited annually. And our staff is specially trained to identify and resolve potentially non-compliant issues. You can trust our experts to keep your data safe and secure!

We're so confident in our data center and infrastructure audits that we'll share our audit results with you.

A SUMMARY OF VIRTUAL SYSTEMS' AUDIT FOR HIPAA COMPLIANCE

The Audit & Assessment finds the overall safety and soundness of the Virtual System's IT infrastructure to be intact:

- Executives and management have adopted and implemented adequate policies and procedures.
- Executives, management, staff, and vendors properly identify, measure, monitor, and control existing and potential risks.

- Management, staff and vendors have sufficient expertise to adequately plan, direct, and control operations; controls and safeguards for NPI, PHI, CI, and organization information and assets have been adequately implemented.
- Virtual Systems conducts appropriate notification following a breach of unsecured NPI, PHI, and CI; and,
- The organization is in substantial compliance with applicable industry standards and federal oversight rules and regulations.

GET STARTED WITH HIPAA COMPLIANT QUICKBOOKS TODAY

If you're considering moving your QuickBooks to the cloud, don't leave yourself exposed. It's important to partner with an expert to ensure you don't overlook any detail when it comes to HIPAA compliance. The experienced team at Virtual Systems will guide you to make sure any PHI used by your company is kept secure and private. You can even try a 30-day free trial to make sure this is the right cloud hosting partner for you! Be up and running with almost zero setup!

What's more, Virtual Systems will gladly sign a BAA for you. We're committed to providing quality service that our customers can trust.

With Virtual Systems QuickBooks hosting and compliance, you can complete your financial work from anywhere, with all your data just a few clicks away. We back up data nightly, so you can rest easily. Learn more about Virtual Systems QuickBooks hosting and connect with the experts at Virtual Systems to make your HIPAA compliant accounting a breeze.

References

Audit protocol. (2018, July). Department of Health and Human Services. Retrieved from <https://www.hhs.gov/hipaa/for-professionals/compliance-enforcement/audit/protocol/index.html>

Is QuickBooks Online HIPAA compliant? (2021, April 20). QuickBooks Online. Retrieved from https://quickbooks.intuit.com/learn-support/en-us/help-article/insurance-medical-benefits/quickbooks-online-hipaa-compliant/L9HSimAH5_US_en_US