Health care providers and health plans have traditionally used a variety of forms, codes and electronic formats to process health-related information. The transaction and code sets portion of the regulation requires providers and payers to adopt common standards and code sets for processing these transactions (e.g., claims, referrals, eligibility, payments, etc.). The HIPAA regulations identified ten standard transactions for Electronic Data Interchange (EDI) for the transmission of health care data. Claims and encounter information, payment and remittance advice, and claims status and inquiry are several of the standard transactions. Code sets are the codes used to identify specific diagnosis and clinical procedures on claims and encounter forms. The CPT (Current Procedural Terminology) and ICD-9 (International Classification of Diseases) codes are examples of code sets for procedure and diagnosis coding. Other code sets adopted under the Administrative Simplification provisions of HIPAA include codes sets used for claims involving medical supplies, dental services, and drugs.

In addition, eventually there will be unique identifiers for providers, employers, health plans and patients. However, this piece of regulation has not yet been finalized.