



# North Carolina Department of Health and Human Services Division of Social Services

325 North Salisbury Street

2420 Mail Service Center • Raleigh, North Carolina 27699-2420

Courier # 56-20-25

Michael F. Easley, Governor  
Carmen Hooker Buell, Secretary

E. C. Modlin, ACSW, Director  
(919) 733-3055

March 8, 2001

**Dear County Director of Social Services:**

**Subject: Health Insurance Portability and Accountability Act of 1996  
(HIPAA) and Request for Local HIPAA Contact**

This letter is intended to serve the following purposes:

- Inform counties of activities being conducted in response to the Health Insurance Portability and Accountability Act of 1996 (HIPAA)
- Request that counties delay HIPAA development and implementation activities relative to business operations, until after State staff have had an opportunity assess impacts and provide local assistance, and
- Request that each county designate a HIPAA contact

### Health Insurance Portability and Accountability Act of 1996 (HIPAA)

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) mandates specific administrative simplification provisions and compliance by certain public and private organizations that process, maintain, or transmit individually identifiable health information. Our department opted to take an enterprise approach to HIPAA and has established a centralized HIPAA Program Management Office (PMO) to coordinate HIPAA impact assessment and response activities for NC DHHS divisions and the local agencies they supervise. Division coordination is maintained through division appointed HIPAA Coordinators who meet regularly with HIPAA PMO staff on Program management issues and participate focus groups. Three HIPAA focus groups have been established to date: Electronic Data Interchange (EDI), Information Technology Security, and Business Operations. HIPAA PMO oversight is provided by the DHHS HIPAA Oversight Committee, composed of division directors and chaired by the DHHS Deputy Secretary.

It is estimated that approximately 80% of the HIPAA regulations relate to business operations, therefore necessitating changes in business practices, policies and procedures of those agencies/units impacted by HIPAA. The DHHS PMO Business Operations Team and Business Operations Focus Group are anticipated to play a major role in determining whether/how the divisions and their local agencies are impacted by HIPAA and in recommending changes to ensure HIPAA compliance.

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Request for Delay of HIPAA Business Operations Compliance Activities

The HIPAA PMO has requested that divisions and local agencies delay HIPAA development and implementation activities relative to business operations, until further instructions and receipt of PMO provided deliverables. This is to avoid duplication of business operations work efforts being conducted by the HIPAA PMO and to help ensure uniformity of policies and procedures, where possible. The first deliverable from the Business Operations Team/Focus Group will be a tool to assess information flow within each agency/unit. Information obtained through the use of this tool will be used to determine whether/how an agency/unit is affected by HIPAA. For additional information, please refer to Attachment 1, DHHS HIPAA PMO Business Operations Plan.

Designation of Local HIPAA Contact

HIPAA implementation is to occur over a period of several years and will remain an ongoing federal requirement. To help ensure uniform implementation, each local county department of social services is requested to designate a person to serve as HIPAA Coordinator. This individual will be responsible for coordinating HIPAA related issues within the local agency and with State staff. Attachment 2, "Roles and Responsibilities of Local HIPAA Coordinators," contains a list of HIPAA Coordinator expectations. It has been suggested that the individual who serves as the local agency's primary security officer might be a likely candidate for this responsibility. The following information relative to your local HIPAA contact is needed:

Contact Name, Title/Unit, Telephone Number, E-mail Address

Please provide the above HIPAA contact information to Jim Bookout, DSS HIPAA Coordinator, as soon as possible but no later than Friday, March 23, 2001. E-mail: [Jim.Bookout@ncmail.net](mailto:Jim.Bookout@ncmail.net)  
FAX: (919) 733-0240. Mr. Bookout may be reached by telephone at: (919)-733-3293, should you have any questions regarding this correspondence.

Your prompt assistance in this matter is appreciated.

Sincerely,



E. C. Modlin, ACSW  
Director

Attachment:

RIM-PM-1-2001