



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

325 North Salisbury Street • Raleigh, North Carolina 27603
Courier # 56-20-25

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Pheon E. Beal, Director
(919) 733-3055

April 19, 2002

Dear County Director of Social Services:

SUBJECT: HIPAA Compliance Assistance for Non-State Owned NC DHHS Affiliated Agencies

Attention: HIPAA Coordinators

Many local agencies affiliated with the North Carolina Department of Health and Human Services (NC DHHS) have inquired about what assistance they might expect to receive from NC DHHS staff, in meeting the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

During the past year, NC DHHS HIPAA Program Management Office (PMO) staff facilitated meetings with various NC DHHS Division management staff, NC DHHS HIPAA Oversight Committee and external organizations (e.g., NC Association of County Commissioners, Institute of Government) to discuss state assistance to the local affiliated agencies. A legal opinion regarding NC DHHS' responsibility and liability for local level HIPAA compliance was requested from the Attorney General's Office. The Attorney General's Office response in an opinion offered to NC DHHS senior management was that NC DHHS is not directly responsible for the compliance of affiliated local agencies, since these local agencies are separate legal entities. Nevertheless, all parties agree that local agencies affiliated with, but not "owned" or operated by, NC DHHS [hereafter referenced as "NC DHHS affiliated local agencies" or "affiliated local agencies"] need some level of state assistance and guidance to carry out HIPAA compliance activities.

NC DHHS staff understands the ramifications of our affiliated local agencies being found non-compliant with HIPAA (e.g., federal funding cuts due to non-compliance of local programs). However, due to limited financial and human resources, it has been determined that NC DHHS will only be able to provide limited assistance to local affiliated agencies in their HIPAA compliance efforts. The primary assistance that will be available to local affiliated agencies, such as county departments of social services, will be HIPAA implementation guidance posted to the NC DHHS HIPAA PMO Web Site. Limited Division assistance will also be available through the designated Division HIPAA Coordinators.

The HIPAA PMO Web Site was created to be utilized as an information repository to facilitate HIPAA compliance efforts and currently contains a wealth of information that should prove helpful to you as you move forward with your assessment and compliance efforts. We encourage you to check this site frequently for new information. The web site address is: <http://dirm.state.nc.us/hipaa/>

The types of information that will be made available to assist you include:

- Project Management templates (e.g. status reports, work plans, budget worksheets)
- HIPAA awareness materials and presentations
- Training materials
- Assessment approaches and tools
- Impact analysis guides
- Remediation best practices
- NC Attorney General's Office legal opinions
- Frequently asked questions



- Policy templates and samples
- Privacy business templates (e.g. forms, notices, etc.)
- Self-verification checklists
- HIPAA certification information

Some additional resources that you may want to utilize include:

- **Government Information Value Exchange for States (GIVES)** - GIVES is a collaborative state government healthcare focus group, established to meet the immediate need to exchange information, identify common government challenges and share solutions in order to attain HIPAA compliance in the timeframe required. GIVES was established by NC DHHS, the North Carolina Healthcare Information and Communications Alliance (NCHICA), and Keane, Inc. Membership is free and is open to both state and local government staff. Instructions for joining GIVES (and to obtain a user ID and password to access the GIVES Web Site) are located at: <http://www.hipaagives.org>
- **Institute of Government** - The Institute of Government, University of North Carolina at Chapel Hill, can provide helpful information to local government officials in the form of training, consulting, and research. The Institute may be of particular assistance to local agencies in the areas of HIPAA privacy training and legal assistance. Institute staff may be contacted at (919) 966-5381. A list of services the Institute provides can be found at: <http://ncinfo.iog.unc.edu/programs/>
- **The North Carolina Healthcare Information and Communications Alliance (NCHICA)** - NCHICA is a privately funded, nonprofit organization that actively promotes the advancement and integration of information technology into the healthcare industry. Leading providers, payers, corporate partners, professional associations, and government agencies (including NC DHHS) have joined forces in this nonprofit consortium to steer the direction of and facilitate innovative pilot projects and focused programs. Currently, the primary focus is HIPAA compliance. NCHICA membership is required to access web site resource materials and there are annual dues. Refer to the NCHICA Web Site for information regarding how to join and the dues structure, located at: <http://www.nchica.org>

NC DHHS understands the needs of the affiliated local agencies and will try to address some of these needs as part of the HIPAA Statewide Assessment that is currently underway. Funding is to be requested to provide centralized assistance/support in the areas of business operations and technical support, as well as training in the areas of EDI/TCI and Security. This funding is being proposed on behalf of the locals as a statewide effort, not a DHHS initiative. Any information received regarding the status of this proposal will be sent to you, as it becomes available.

Following are some suggested ways you may begin addressing local HIPAA compliance, if you have not done so already:

- Appoint a local HIPAA Coordinator to serve as the agency's primary portal of communications for HIPAA-related information. This person should also act as a single point of contact for HIPAA so that our HIPAA Coordinator can communicate with local HIPAA staff.
- Form an internal HIPAA implementation team with responsibilities such as planning compliance activities, determining the assessment process for the local agency, identifying risks and issues, ensuring remediation and testing of electronic systems that perform standard transactions, compliance monitoring, etc.
- Contact your Board of County Commissioners to find out whether HIPAA compliance is being addressed as a countywide initiative, rather than an agency specific initiative.
- Make it one of your first priorities to determine whether your agency is performing any functions that are "covered" under the HIPAA regulations. This information will be critical in developing assessment and remediation approaches.



County Director Letter
April 19, 2002
Page 3

- Consider hiring (or expanding existing contracts of) software vendors/consultants to assess the impact of HIPAA on your business application systems.
- Educate agency staff on HIPAA regulations and ensure they understand that HIPAA is not “going away” as was once rumored.

HIPAA compliance is federally mandated. As with all other mandates, a certain level of accountability is expected and program monitoring will likely occur. Many of you have already begun your efforts at the local level and we commend you for your initiative. Please be sure to share this information with your county manager, county attorney and county IT personnel to ensure that they, too, understand the importance of this legislation.

Questions regarding this correspondence and questions regarding preparation for HIPAA compliance may be directed to Jim Bookout, Division of Social Services HIPAA Coordinator, at (919) 733-4533 or e-mail: Jim.Bookout@ncmail.net.

Questions regarding the Division of Medical Assistance HIPAA efforts may be addressed to Tom Lambert, Division of Medical Assistance HIPAA Coordinator, at (919) 816-3069 or e-mail: Tom.Lambert@ncmail.net.

Sincerely,



Pheon E. Beal, Director



Nina M. Yeager, Director
Division of Medical Assistance

Cc: Sherry Bradsher, DSS Deputy Director
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