



Health Insurance Portability and Accountability Act Privacy Policy

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1.0 Policy

Lee County will take reasonable actions to protect the privacy of employees' Protected Health Information (PHI) and to comply with the privacy requirements of the Health Insurance Portability and Accountability Act (HIPAA). Lee County employees have a right to protection from the unauthorized and/or unnecessary sharing of their health information by employees who have either direct or indirect access to PHI. Lee County sponsors a fully insured health plan and an elective dental plan and will follow the Notice of Privacy Practices of the insurers.

DEFINITIONS

1. **HIPAA:** Health Insurance Portability and Accountability Act; federal law that protects the portability of health insurance, provides fraud and abuse protections, and was recently modified to protect the security of certain medical information.
2. **PHI:** Protected Health Information; health information, the privacy of which is protected under HIPAA. PHI:
 - is used or created by Lee County Government's health plans
 - is individually identifiable (either actually identifies an individual or contains enough specific information to do so)
 - relates to the past, present, or future physical or mental condition of a plan participant, or
 - relates to the provision of health care to a participant or
 - relates to the past, present, or future payment for the provision of health care to a participant
3. **Minimum Necessary Standard:** Standard that limits Lee County Government, its health plans, and its business associates to sharing the minimum necessary amount of PHI to accomplish a relevant task.
4. **Business Associate:** An organization with which Lee County Government must transmit PHI in order to effectively offer and administer a health plan.

5. Health Plan: The Lee County medical plan for retirees and employees. The dental plan for employees.
6. TPO: Treatment, Payment and Health Care Operations; activities for which written authorization is not required to share PHI.
7. Plan Sponsor: “The plan sponsor is the employer or employee organization, or both, that establishes and maintains an employee benefit plan.”

2.0 PROCEDURE

Handling of Protected Health Information

1. Health/Dental Premium Invoices

- a. The Human Resources Director receives invoices for the health insurance plan by unopened mail. The Human Resources Director hand delivers the invoice to the Finance Technician III. The Finance Technician uses the invoice to verify that the information on the invoice is correct. The Finance Technician III processes payment of the invoice to the insurance providers. The Finance Technician III keeps invoices in a locked drawer when she is not actively processing them. After the invoices are paid, they are kept in a locked file drawer in the Finance Technician’s III office.
- b. The Finance Technician III receives the invoices for the retiree health insurance plan by unopened mail. The Finance Technician uses the invoice to verify that the information on the invoice is correct. The Finance Technician III processes payment of the invoice to the insurance providers. The Finance Technician III keeps invoices in a locked drawer when she is not actively processing them. After the invoices are paid, they are kept in a locked file drawer in the Finance Technician’s III office.
- c. The Finance Technician III receives the invoices for the dental insurance plan by direct download. The Finance Technician uses the invoice to verify that the information on the invoice is correct. The Finance Technician III processes payment of the invoice to the insurance providers. The Finance Technician III keeps invoices in a locked drawer when she is not actively processing them. After the invoices are paid, they are kept in a locked file drawer in the Finance Technician’s III office.
- d. Invoices from previous years are kept in banker boxes in a locked storage room. Employees of the Finance Department have access to the storage room to access archived accounting-related files.

2. Enrollment/Change Forms

Human Resources Director, Human Resources Analyst, Benefits Administrator, Human Resources Assistant– Employees holding these positions must enroll/disenroll employees/dependents from the health plan. When enrollment/change forms are received from employees, they are stored in a locked cabinet in the Human Resources office, to which only the Human Resources staff have access, until they are processed. The Human

Resources Staff processes the forms by entering the information into the E-Benefits system. A copy of the form is placed in the employee's personnel file. The personnel files are in locked cabinets, which may only be accessed by the Human Resources Staff.

3. EOB of Current Employees or Retirees

The Human Resources Staff will only provide assistance to employees or retirees needing assistance in issues concerning payment of medical services after the employee signs a waiver authorizing the release of information relating to the EOB to medical providers and to the insurance company. At no time will the Human Resources Staff take custody of the EOB. One of the Human Resources Staff and the employee together will call to gain knowledge of the claim and payments; the call will take place in a room with a closed door.

4. Benefit Enrollment Information on Munis Database

- a. Human Resources Staff – Employees holding these positions must enter health plan enrollment /disenrollment information into the Munis System, and must use this information to provide availability, cost and coverage information in response to subpoena requests.
- b. In addition to the tasks mentioned in 4a, the Human Resources Staff must access benefit-related data in the Munis System to assure accuracy of enrollment and payroll deduction information.
- c. The Finance Director, Finance Technician II and Finance Technician III have access to health plan enrollment/disenrollment information through the Munis System.

5. Lee County Health Plans Enrollment Information

- a. Lee County employees enrolled in the medical insurance plan are enrolled online using E Benefits.
- b. Lee County retirees enrolled in the medical insurance plan are enrolled by fax. The enrollment form is faxed to a protected fax number.
- c. Lee County employees enrolled in the dental plan are entered into the company's data base through computer.

6. Employee Access to Information

Employees use the health insurance website to ensure accuracy of their enrollment information, order insurance cards, and obtain wellness-related information. Individual employee access is password protected.

7. COBRA Notices

Human Resources Staff produces and faxes termination information to the Cobra Administrator as required by law. One copy of the notice is maintained in the employee's personnel file in the Human Resource office. One copy of the notice is filed in a Cobra information file. The Cobra information file is stored in a locked file cabinet. The Cobra Administrator sends a notification letter issue report of employees that received Cobra information. The Human Resources Staff initiates payment to the Cobra Administrator. A copy of the invoice is maintained by the Human Resources Staff in a locked cabinet. The Cobra Administrator

produces and sends a check for Cobra payments received to the Finance Technician III. The Finance Technician III then in turn issue payment to the Insurance Carrier.

8. Health enrollment information requested by subpoena/other public policy requests

- a. Human Resources Staff– The Human Resources Staff must provide certain entities with information regarding employee enrollment in the Lee County health plan when such information is requested by subpoena. Such information will only be provided by mail.

Minimum Necessary Standard

General. When Using or Disclosing PHI, or when Requesting PHI from another entity, Lee County will limit its Uses, Disclosures, or Requests to the minimum amount of PHI necessary to accomplish the intended purpose of the Use, Disclosure, or Request. Lee County will apply the Minimum Necessary standard by balancing reasonableness of efforts and potential risks.

Uses of PHI. For internal Uses of PHI, Lee County will identify the classes of Workforce members who need access to PHI to perform their business functions/jobs within the department. Lee County will also identify the categories of PHI to which access is needed, and limit the access of each employee to the appropriate categories of PHI.

Disclosures of or Requests for PHI. For any type of Disclosure or Request it makes on a Routine and Recurring basis, Lee County will establish and implement a protocol that limits the PHI Disclosed or Requested to the amount reasonably necessary to achieve the purpose of the Routine and Recurring Disclosure or Request. For non-routine and non-recurring Disclosures or Requests, Lee County will establish and implement criteria designed to limit the PHI disclosed or requested to the information reasonably necessary to accomplish the purpose of the disclosure or request.

Exceptions to Minimum Necessary. The Minimum Necessary standard does not apply to Uses and Disclosures in the following situations:

1. To health care providers for Treatment;
2. To a Member or Personal Representative;
3. To an individual authorized by a Member to receive his or her PHI;
4. To the Secretary of the U. S. Department of Health and Human Services;
5. When Required by Law as determined by the Privacy Official;
6. For compliance with applicable requirements of the HIPAA Privacy Regulations.

All Lee County employees will take reasonable steps to limit each use or disclosure of PHI to the minimum necessary use or disclosure to accomplish the relevant task.

Written Authorization

A written authorization to use PHI for purposes other than TPO or to comply with public policy must be obtained from all employees. A written record detailing any other disclosure of PHI will be kept in the employee's locked personnel file for at least six years. Such record will include the date of the disclosure, the name of the employee whose PHI was disclosed, a brief description of the PHI, the name of the person who disclosed the PHI, the name of the entity or person who received the PHI (and, if known, the address of such person), and the purpose of the disclosure.

Employee Rights

The Privacy Officer (Human Resources Director) will assure that Lee County honors the following employees' rights under HIPAA:

1. The right to view and/or receive copies of their PHI, upon request in writing and free of charge.
2. The right to receive once every 12 months, upon request in writing and free of charge, a written accounting of the disclosures of their PHI made by Lee County for up to six years immediately preceding the date of the request - excluded are (1) disclosures made prior to April 14, 2003 (2) by a plan for treatment, payment and health care operations (3) disclosures authorized by the participant and (4) disclosures made to comply with public policy requirements).
3. The right to receive a response to their request to access or copy their PHI within 30 days of the date the employee made the request.
4. The right to receive information in the format requested, unless such information is not readily producible.
5. The right to submit, in writing, a request to amend their PHI.
6. The right to receive a response from Lee County's Privacy Officer to their requests to amend their PHI within 60 days of the date the request was received. If an employee's request for amendment of their PHI is denied because the PHI on file is already accurate and complete, the employee may either file a statement of disagreement or request that the amendment request and denial be included with all future disclosures of the employee's PHI.
7. The freedom from intimidated, retaliated, threatens or coercion from Lee County for (1) exercising their rights under the privacy regulations, (2) participating in the process established by the privacy regulations, (3) filing a complaint with the Secretary of Health and Human Services (HHS), (4) testifying, assisting, or participating in an investigation, compliance review proceeding or hearing, (5) opposing any act or practice that violates the privacy regulation, provided that the person has good faith belief that the practice is unlawful and the manner of the opposition is reasonable and does not involve disclosure of PHI.

8. The freedom from being required to waive their rights to file a complaint with the Secretary of HHS or under the privacy regulations as a condition of providing any treatment, payment, or enrollment in Lee County's health plans or eligibility for benefits.

Notification of Privacy Practices

The notice, as well as instructions regarding how to access the notice, will be posted on the Intranet.

- All new Lee County employees will be issued the notice of privacy practices at their new hire orientation.
- All Lee County employees will be issued a revised notification of privacy practices within 60 days of any material revision to the notice.
- The notice of privacy practices will be re-issued every three years.

Lee County Employees, Supervisors and Department Directors will take reasonable precautions to protect the privacy of individual health information that is not covered under the HIPAA privacy regulations. This includes FMLA, Workers Compensation and relevant health facts.

Privacy Officer

The Privacy Officer for Lee County is the Human Resources Director. The Lee County Privacy Officer is responsible for assuring that Lee County is compliant with the privacy requirements of HIPAA.

Complaint Procedure

All complaints related to PHI should be directed, in writing, to the following address:

Lee County Government
106 Hillcrest Drive
Sanford, NC 27331
ATTN: Human Resources Director

The Lee County Privacy Officer will investigate each complaint, and will respond within 30 days from the date the complaint is received.

Sanctions for Violation of Policy/HIPAA Regulations

In addition to any sanctions levied externally, Lee County Employees, Supervisors and Department Directors who violate the terms of this policy, regardless of whether the violation was willful, will be subject to discipline up to and including termination of employment. Violations will be reviewed by the Privacy Officer and the County Manager on a case-by-case basis.