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COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

March 4, 2003

TO: Each Supervisor

FROM: Thomas L. Garthwaite, MD
Director and Chief Operating Officer

SUBJECT: DHS HIPAA IMPLEMENTATION ACTIVITIES

On February 18, your Board requested that the Department of Health Services (DHS) provide an update on its efforts to come into compliance with the Privacy component of the Health Insurance Portability and Accountability Act (HIPAA).

The date for compliance with this law is April 14, 2003. Compliance includes the development and implementation of the appropriate policies and procedures and forms related to the new patient privacy protection requirements, training of all 24,000 DHS employees on the HIPAA Privacy requirements, establishment of a patient complaint mechanism, creation of memorandums of understanding with other County departments, and development of necessary agreement amendments to ensure contractor compliance with HIPAA requirements.

DHS has established a systemwide HIPAA Privacy Committee that includes representatives from the facilities, Public Health, Office of Managed Care, and Health Services Administration. Additionally, each facility and Public Health has created its own team to manage the implementation of the Privacy requirements. The hospital CEOs also meet regularly with the Department's Chief Operating Officer to review these implementation activities. The status of implementation in each of these areas of compliance is discussed below.

The Department's goal is to attain full compliance in the facilities and Public Health by the April 14 implementation date. However, in speaking with representatives from

both public and private hospitals across the country, it appears that, irrespective of whether the facility is public or private, the industry as a whole is facing significant difficulties in translating the regulatory intent into day-to-day operations and many may not meet the April 14 deadline for full compliance with the law.

Additionally, although the date of compliance for the HIPAA Privacy requirements is April 14, the federal Department of Health and Human Services, Office of Civil Rights (OCR), which is the federal HIPAA enforcement agency, has stated publicly that it is not planning to enforce the Privacy Rules immediately upon the date of implementation. The OCR is still working to complete the technical assistance documents that will be needed to guide the enforcement process.

Policies and Procedures

DHS has been working with the County Chief Information Officer (CIO), County Counsel, and outside counsel to either revise existing or develop new policies and procedures, as appropriate, that address: notice of privacy practice; patient's right to access, copy, and inspect medical information; patient's right to amend medical records; disclosure of protected health information with and without proper authorization; business associate agreements; de-identification of protected health information and data use agreements; designated record sets and minimum necessary requirements; verification of identity or authority; patient's right to restrict communications; patient's right to confidential communications; and complaint processes.

California has one of the most stringent patient privacy laws in the nation. For this reason, many of the HIPAA privacy policies and procedures are a formalization of current practice in a manner that confirms to the federal requirements. The significant work exists in the documentation and training of employees, rather than in the actual practice of managing patient information and records.

One of the challenges DHS is facing is taking six sets of hospital policies and procedures and combining them into a single series of policies and procedures that work seamlessly across the system, both in personal and public health, and that can be effectively operationalized. Over time, DHS has become increasingly decentralized in the rules and practices that govern the operation of its facilities, with each hospital cluster developing materials specific to its operation in accordance with its accreditation schedule. The implementation of HIPAA, as well as the Department's strategic plan, presents a significant opportunity to integrate the policies and procedures of the system.

sessions that are offered to County employees, to ensure consistency in the information provided. DHS also is sharing videotaped materials with these vendors, as appropriate.

The attached schedule (Attachment I) provides greater detail on the employee classifications that require each type of training.

It has been noted in the CIO's reports to your Board that DHS has trained fewer than 1,000 employees through the internet-based training tool. While DHS certainly can improve upon its performance in this area, one of the challenges that exist is that only approximately 5,000 of DHS' 24,000 employees have internet access. Thus the most facile method of training will have a limited reach among the DHS work force. Health Services Administration, Public Health, and the Office of Managed Care, which have the highest number of staff with internet access, have been working aggressively to ensure these employees take the necessary training.

Each DHS facility has developed a training implementation plan to ensure its employees receive the appropriate level of education on the HIPAA Privacy requirements. Attached is a chart (Attachment II) that displays the schedule for these training efforts. The facilities have been encouraging the staff with access to the internet to utilize this tool immediately. King/Drew Medical Center and LAC+USC Medical Center began HIPAA classroom training in February. Since that time, King/Drew Medical Center has trained over 500 of its 3,584 employees and LAC+USC Healthcare Network has trained over 4,300 of its 7,776 staff. Because this training was conducted using paper-based materials, and not through the internet program, these numbers are not reflected in the totals that appear on the web-site summary of employees trained. DHS is working to develop a mechanism to transfer this information to the web-based program.

Rancho Los Amigos National Rehabilitation Center is scheduled to initiate classroom sessions the week of March 3 and High Desert Hospital, Harbor-UCLA Medical Center, and Olive View-UCLA Medical Center will initiate classroom sessions the week of March 10. The Department anticipates the number of employees trained to increase significantly once these programs begin. There have been some delays in the receipt and distribution of the HIPAA Comprehensive Training materials, which had delayed initiation of the facility-based training efforts. The materials have now been provided to DHS and distributed to the facility HIPAA coordinators for use in these sessions.

Additionally, there are a number of training activities that have already been completed or undertaken. For example, LAC+USC Medical Center has, since

October, been providing HIPAA Awareness Training during its orientation session to all new employees. Also, DHS sponsored a training session in November for 150 senior managers from HSA, Public Health, and the facilities.

As noted above, training is being offered through an internet-based program, as well as through instructor-led, videotape and Power Point slides for instructor-led training. DHS facilities are scheduling training sessions around the clock to accommodate the work shifts of 24-hour-a-day facilities. DHS is working with SEIU Local 660, as well as the other unions, to obtain assistance in encouraging and promoting employee participation in the training programs, as well as to schedule training sessions in coordination with other union activities. DHS also is working with the three medical schools to collaborate on providing HIPAA Privacy training to the physician faculty who have dual affiliations.

The Department also intends to utilize the Workforce Development Program to support these training activities. For example, resources are available to support the reproduction of materials and staff necessary to provide training. Additionally, the Department is working with the Workforce Development Program staff to incorporate the HIPAA Privacy education materials as a component of other Workforce Development initiatives already underway, such as the medical record coder and Patient Financial Service Workers training sessions.

The Department intends to continue this collaboration with SEIU and the Workforce Development Program after the April 14 implementation date to ensure the continuous flow of information to employees on the HIPAA Privacy requirements.

Patient Complaint Process

DHS is working with the CIO's office to develop a methodology for reporting of patient complaints related to potential violations of privacy with regard to health-related information. Privacy complaints can originate from a variety of sources, such as, directly from patients, advocacy groups complaining on behalf of constituent patients, or even County employees. The HIPAA Privacy Regulations require that all complaints be made in writing, as the Department is working with the CIO and outside counsel to develop the necessary documents to facilitate patient requests for information and complaints.

DHS plans to incorporate the privacy complaint process into the existing complaint and reporting process that is presently in place within all its hospitals and programs. Complaints can be made at the hospital level and will be reported to the DHS Privacy Officer, who will then forward the report to the County Privacy Officer. Patients can

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bring complaints to either the DHS or County Privacy Officer directly. Depending upon the nature of the complaint, all patient complaints will be immediately investigated by either the DHS or County Privacy Office. In those instances when an allegation of privacy violation is confirmed, appropriate corrective action will be taken with regard to systemic or personnel matters related to the violation.

Business Associate Contracts

One of the components of HIPAA is the inclusion of language in certain DHS contracts regarding the responsibility of all business associates in complying with the HIPAA Privacy regulations. The types of contracts for which this will be required include consulting contracts involving protected health information, medical records coding, and certain types of equipment maintenance.

On January 7, your Board approved the necessary business associate language and provided delegated authority to affected County departments to incorporate this language into the appropriate agreements. Existing agreements that fit the Business Associate criteria will be amended before April 14, 2003. DHS is continuing to work with the CIO and County Counsel to insert appropriate Business Associate contracting language in any new agreements approved by the Board of Supervisors.

Additionally, it has been determined that Purchase Orders are also agreements subject to the Business Associate contracting and DHS is working with the Internal Services Department to identify a process to incorporate the necessary Business Associate provisions in requisite Purchase Orders.

Please let me know if you have any further questions.

TLG:ak

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
County Chief Information Officer

The majority of the required policies and procedures have been developed and agreed to internally by the facilities. Of the 45 policies and procedures required, five have received final approval and 25 have been submitted to the CIO and outside counsel for review. The Department is still awaiting final comment on these documents. With regard to the remaining policies and procedures, the Department is waiting for direction from the CIO's office.

HIPAA Training

As reported to you by the CIO in earlier reports, there are several levels of knowledge and training required for the HIPAA Privacy rules, depending upon the job responsibilities of the employee.

HIPAA Privacy Awareness is the most basic level of training and provides general information on HIPAA Privacy concepts for those employees who do not deal with significant amounts of protected health information as a routine part of their daily work. This would include staff in the areas of administration, finance, human resources, custodial services, patient transport, and physical plant/maintenance. DHS estimates that 59 percent of its employees, or approximately 14,000 individuals, will require HIPAA Privacy Awareness training.

HIPAA Privacy Comprehensive Training, which provides in-depth information on the HIPAA privacy requirements, is being provided to those employees who deal frequently with protected health information. Among these job categories are physicians, nurses, interns and residents, health information management and staff, clinical technical workers (e.g., lab technicians, physical or respiratory therapy), and allied health staff. An important component of the HIPAA Comprehensive Training is the policies and procedures that are being developed. An estimated 41 percent of DHS employees, or approximately 10,000 individuals, will require HIPAA Privacy Comprehensive training.

Business Associate Contract Training is a recently added category that will be provided to any DHS employee who works with contracting and/or procurement and includes the HIPAA Privacy Awareness Training module, plus review and training on the DHS Business Associate Contracting Policy and Procedure. This training is being provided through the CIO's office, which is also providing this training to Department of Mental Health and Internal Services Department staff as well. Just over 100 DHS employees fall into this training category.

While outside contractors are required to provide training to their employees, in many instances DHS facilities are including these contract workers in the educational

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
DHS EMPLOYEES
HIPAA TRAINING**

CATEGORY	EMPLOYEES	PERCENTAGE
HIPAA Awareness	14,166	58.89%
<i>Classifications Include Administration, Finance, Information Systems, Human Resources, Clerical, Plant Management</i>		
HIPAA Comprehensive	9,889	41.06 %
<i>Allied Health</i>	154	0.64% (of total)
<i>Health Information Management</i>	104	0.43%
<i>Nursing</i>	5,289	21.96%
<i>Pharmacists</i>	208	0.86%
<i>Physicians</i>	2,858	11.88%
<i>Technicians</i>	1,265	5.25%
TOTAL DHS Employees	24,055	100%

DHS HIPAA Training Implementation Timeline

Facility	Total employees to be trained	2/10	2/17	2/24	3/3*	3/10	3/17	3/24	3/31	4/7	4/14 Compliance Deadline
Coastal Cluster	3,414			Initiated internet training	99 (internet)	Initiating classroom sessions					
High Desert Hospital	652	Initiated internet training (2/6/03)			81 (internet)	Initiating classroom sessions					
LAC+USC Healthcare Network	7,776	Initiated internet training & classroom sessions		3,800 (class)	102 (internet) 500 (class)						
Rancho Los Amigos	1,570	Initiated internet training			83 (internet) Initiating classroom sessions						
Southwest Cluster	3,584	Initiated classroom sessions		500 (class)	46 (internet)						
ValleyCare	2,351	Initiated internet training			9 (internet)	Initiating classroom sessions					
Public Health	3,579		Initiated internet training		74 (internet) Initiating classroom sessions						
Health Services Admin/Office of Managed Care	1,129	Initiated internet training (1/31/03)			364 (internet)		Begin Business Associate Training 3/18				
TOTAL	24,055			465(internet) 4,300 class) 4,765 (total)	858 (internet) 4,800 (class) 5,658 (total)						

* DHS began receiving information on internet training broken down by facility on 2/28/03