COUNTY OF LOS ANGELES

CHIEF INFORMATION OFFICE

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April 4, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Don Knabe, Chair Pro Tem
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: Jon W. Fullinwider
Chief Information Officer

Subject: **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) TASK FORCE – FINANCIAL STATUS UPDATE**

COUNTYWIDE HIPAA COMPLIANCE STATUS

During the Board meeting of June 19, 2001, the Board directed the Chief Administrative Officer (CAO) and the Chief Information Officer (CIO) to report quarterly on the County's efforts and progress in becoming compliant with the Health Insurance Portability and Accountability Act of 1996 (HIPAA). This memo provides you with the update on HIPAA expenditures through February 28, 2003. The full quarterly report will be delayed two weeks to allow us to complete a meeting with the California Office of HIPAA Implementation (CalOHI) regarding the State's readiness to test and implement HIPAA covered transactions and code sets. The meeting is scheduled for April 4, 2003 and will include representatives from my office, the Department of Mental Health, Department of Health Services, and County Counsel.

<u>County Actions and Planned Expenditures</u>

Contract work authorized to date for HIPAA-related activities totals $29.6 million. Of this amount, $6.3 million was spent on or before February 28, 2003. There are consultant deliverables in the final review and approval process, as well as new remediation activities in progress within DHS, which will increase the rate of HIPAA-related expenditures.

The contract with Foley & Lardner, outside legal counsel, has expended $121,000 year-to-date as of February 28, 2003. DHS is in the process of committing an additional $70,000 for continued outside counsel support for the remainder of the fiscal year.

The next bi-weekly status report will be submitted on April 11th and the full quarterly report will be released on April 18, 2003.

If you have questions or require additional information, please contact me at (213) 974-2008.

JWF:GD:ygd

Attachment

c: Chief Administrative Officer
Director, Department of Mental Health
Director, Department of Health Services
Chief Probation Officer
County Counsel
Internal Services Department
Auditor-Controller
Treasurer and Tax Collector
Chair, Information Systems Commission

P:\Final Documents\CIO\HIPPA\HIPAA Status Financial Report (APR 4)v1.doc

Attachment A

Summary of HIPAA-Related Contract Expenses for Los Angeles County

Dept.	HIPAA Section	Vendor	Description	County Agreement No.	Board Approval Date Where Applicable	Agreement Term	Authorized Amount	HIPAA Expenditures as of 02/28/03	Remaining Authorization	Status
DHS	Transactions & Code Sets, Privacy, Security, Unique Identifiers	Comdisco	Primary HIPAA assessment and compliance plan consultant. Includes a Security assessment subcontract.	ITSSMA work order # N78-0008		4/10/2001 through 5/12/2002	$1,115,000	$1,115,000	$0	Comdisco was declared bankrupt. The contract has been transfered to SecureSoft Systems Inc.
DHS	Transactions & Code Sets, Privacy, Security, Unique Identifiers	SecureSoft	Primary HIPAA assessment and compliance plan consultant. These includes Personal Health, Public Health and OMC.	ITSSMA work order # N78-0021		5/13/2002 through 4/10/2003	$2,360,000	$2,360,000	$0	Assessments/gap analyses completed. Final reports were delivered to the facilities.
DHS	Transactions & Code Sets, Privacy, Security, Unique Identifiers	Modis	DHS Data Repository programming support.	H-209555	6/19/2001	7/1/2001 through 6/30/2004	$202,634	$55,062	$147,572	HIPAA work is in progress. Actual expenditures for this agreement are $220,246 of which $55,062 are HIPAA related.
DHS	Transactions & Code Sets	Ladera Career Path, Inc.	Medical Records coding and abstracting.	H-205964	6/26/2001	7/1/2001 through 12/31/2002	$4,950,000	$1,080,116	$3,869,884	The HIPAA portion of this contract allows DHS to capture additional data related to HIPAA transactions and code sets. DHS is in process of validating the HIPAA related expenditures for these agreements. Validated HIPAA related expenditure amounts will be reflected on DHS' next report.
		Assoc. Records Technician Services, Inc.		H-205965						
		Jenn International Personnel Agency		H-205967						
		Certus Corporation		73249-1						
		Hospital Employee Labor Pool		H-205962						
DHS Sub-total							**$8,627,634**	**$4,610,178**	**$4,017,456**	

Summary of HIPAA-Related Contract Expenses for Los Angeles County

DMH	Privacy/ Security	CLD Group	DMH Privacy & Security consultant -	Purchase	N/A	10/31/2001	$45,000	$45,000	$0	Contract terminated, work complete
DMH	Transactions & Code Sets	Sierra Systems, Inc.	Transactions and Code Sets Compliance Remediation	Contract # 74144	9/3/2002	9/3/2002-2/2007	$19,117,206	$1,358,250	$17,758,956	Potential contract cost is $28,835,266 if maintenance extended for up to 7 years beyond original maintenance
DMH		Relativity Technologies, Inc.		Purchase Order T42383	N/A	Commitment	$281,970	$189,540	$92,430	Software to facilitate the identification, translation and documentation of codes between DMHMIS and modern software development (Client/Server).
DMH Sub-total							**$19,444,176**	**$1,592,790**	**$17,851,386**	
CIO	Security (County-wide)	TBD	County-wide security assessment & plan	N/A			$1,000,000	$0	$1,000,000	With CAO approval, $400K has been transferred to the Business Continuity Planning (BCP) Program
CIO	Privacy (County-wide)	Foley & Lardner	Legal advice coordinated through County Counsel related to HIPAA Privacy Rules	Blanket	5/1/1997	Continuing	$150,000	$121,000	$29,000	DHS has stated they intend to fund an additional $70,000 to cover expected charges through the remainder of the fiscal year.
CIO	Privacy (County-wide)	ISD	County HIPAA Intranet Website Hosting and support	A10070-01031	N/A	Continuing	$4,000	$4,000	$0	
CIO	Privacy (County-wide)	HCCS	HIPAA Privacy Training Vendor	Purchase Order PP40875	N/A	Continuing	$225,000	$0	$225,000	
CIO	Privacy (County-wide)	Reserves		N/A	N/A		$121,000	$ -	$121,000	
CIO Sub-total							**$1,500,000**	**$125,000**	**$1,375,000**	
County Total							**$29,571,810**	**$6,327,968**	**$23,243,842**	

* Amount based on submittedinvoices through December 2002.