I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to adopt: A Resolution of the Board of County Commissioners of Palm Beach County, Florida, designating Palm Beach County, a Political Subdivision of the State of Florida, a "Hybrid Entity" for the purposes of the HIPAA Privacy Rule.

Summary: Palm Beach County is an organization that performs both covered and non-covered functions under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). As a Covered Entity, the County has a legal responsibility to comply with the Privacy Rule. Under HIPAA, the County is provided the option to restrict the application of the Privacy Rule to certain parts of its organization. By designating only health care components of the County, which include the Fire Rescue Department, the Department of Senior Services, the County's health, dental, and flexible spending plans, and the Employee Assistance Program, this designation will make the County a "Hybrid Entity" under the Privacy Rule. This action will administratively separate the County's healthcare components from its non-healthcare components for purposes of the Privacy Rule.

Background and Justification: On January 25, 3013, the Department of Health and Human Services (HHS) published the "HIPAA Omnibus Rule," a set of final regulations modifying the HIPAA privacy, security and enforcement rules to implement various provisions of the Health Information Technology for Economic and Clinical Health (HITECH) act. To ensure the County's compliance with all relative portions of the HIPAA law, a formal review was performed of all County operations by two private firms. It was determined that the healthcare components of the County included the Fire Rescue Department, the Department of Senior Services, the County's health, dental, and flexible spending plans, and the Employee Assistance Program. It was recommended that the County designate itself as a Hybrid Entity to administratively separate these functions from the non-healthcare components of the County, which will restrict the legal responsibility of compliance to the healthcare components only.

Attachments:
1) Resolution
## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact

<table>
<thead>
<tr>
<th>Fiscal Years</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tbody>
<tr>
<td>Capital Expenditures</td>
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<tr>
<td>Operating Costs</td>
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<td>External Revenues</td>
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<td>Program Income (County)</td>
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<td>In-Kind Match (County)</td>
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<tr>
<td>Net Fiscal Impact</td>
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# ADDITIONAL FTE POSITIONS (Cumulative)

<table>
<thead>
<tr>
<th>Is Item Included In Current Budget?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

Budget Account Exp No: Fund Department Unit Object
Rev No: Fund Department Unit Object

### B. Recommended Sources of Funds/Summary of Fiscal Impact:

No Fiscal Impact

Departmental Fiscal Review: [Signature]

## III. REVIEW COMMENTS

### A. OFMB Fiscal and/or Contract Dev. and Control Comments:

OFMB 1/3

Contract Administration

### B. Legal Sufficiency:

Assistant County Attorney 1/22/14

### C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.
RESOLUTION NO. R-2014-

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS
OF PALM BEACH COUNTY, FLORIDA, DESIGNATING PALM
BEACH COUNTY, A POLITICAL SUBDIVISION OF THE STATE
OF FLORIDA, A "HYBRID ENTITY" FOR THE PURPOSES OF
THE HIPAA PRIVACY RULE

WHEREAS, Palm Beach County provides healthcare services to seniors
in Palm Beach County through its Division of Senior Services, and bills for such
services electronically which results in Palm Beach County being a "healthcare
provider" and a "covered entity" under the HIPAA Privacy Rule definitions; and

WHEREAS, Palm Beach County provides emergency medical services to
Palm Beach County residents and visitors through its Department of Fire
Rescue, and bills for such services electronically which results in Palm Beach
County being a "healthcare provider" and a "covered entity" under the HIPAA
Privacy Rule definitions; and

WHEREAS, Palm Beach County maintains its own health plan providing
health and dental insurance, a flexible spending benefit for medical expenses
and an Employee Assistance Program through its Department of Risk
Management, which results in Palm Beach County being a "covered entity" under
the HIPAA Privacy Rule definitions; and

WHEREAS, Palm Beach County performs many other functions and has
numerous other departments that, if part of a separate legal entity, would not
qualify as a "covered entity" under the HIPAA Privacy Rule definitions; and

WHEREAS, these other departments and functions of Palm Beach County
would not be required to comply with HIPAA regulations if declared "non-
healthcare components" of Palm Beach County; and

WHEREAS, by making this "hybrid designation," the County may
administratively separate those functions that are "healthcare components" under
the HIPAA Privacy Rule from those that are not subject to the HIPAA Privacy
Rule requirements.

WHEREAS, the HIPAA Privacy Rule allows entities that have "healthcare
components" and "non-healthcare components" within the same organization to
declare in writing that they are a "hybrid entity" and specify which components
are healthcare and which are non-healthcare.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

1. Palm Beach County, Florida is hereby designated as a "Hybrid Entity" for purposes of the HIPAA Privacy Rule.

2. The Departments of Risk Management and Fire Rescue, and the Division of Senior Services are hereby designated "healthcare components" of the Palm Beach County.

3. All other departments, organizations or functions of Palm Beach County that do not fall under the definition of a "covered entity" pursuant to 45 CFR Section 160.103 are hereby designated as "non-healthcare components" of Palm Beach County.

The foregoing Resolution was offered by Commissioner who moved its adoption. The motion was seconded by Commissioner , and upon being put to a vote, the vote was as follows:

Commissioner Priscilla A. Taylor, Mayor -
Commissioner Paulette Burdick, Vice Mayor -
Commissioner Hal R. Valeche -
Commissioner Shelley Vana -
Commissioner Steven L. Abrams -
Commissioner Mary L. Berger -
Commissioner Jess R. Santamaria -
The Mayor thereupon declared the Resolution duly passed and adopted
this _____ day of ____________, 2014.

PALM BEACH COUNTY, FLORIDA, BY ITS BOARD OF COUNTY COMMISSIONERS SHARON R. BOCK, CLERK & COMPTROLLER

By: _______________________________ Deputy Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

By: _______________________________ County Attorney