

The Second National HIPAA Summit:

***HIPAA Implications: How HIPAA
Creates New Risks For Your
Organization Outside of
Healthcare Operations***

Alexander J. Brittin

Mckenna & Cuneo, L.L.P.

<http://www.privacysecuritynetwork.com>

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What Are The Boundaries Of Your Healthcare Operations?

- ◆ The Healthcare Component Rules:
 - 4 Definition of a healthcare component
 - 4 A Hybrid Entity - "A single legal entity that is a covered entity and whose covered functions are not its primary functions"
 - "A single legal entity"
 - "Covered functions"
 - "Primary functions"

Responsibilities Of A Covered Component Of A Hybrid Entity

- ◆ A covered component of a hybrid entity has the following responsibilities:
 - 4 Comply with 164.504 *Uses and disclosures: Organizational requirements*
 - 4 Implement policies and procedures from 164.530(i)
 - 4 Designate and document the designation of the covered component per 164.530(j)

Safeguard Requirements For A Covered Component Of Hybrid Entity

- ◆ The covered component of a hybrid entity must create firewalls to ensure that:
 - 4 PHI is not improperly disclosed to another component of the entity
 - 4 If a person performs duties for both components, can not improperly disclose PHI to another component

What Does A Firewall Between A Covered Component And The Rest Of The Hybrid Entity Look Like?

- ◆ Firewalls described in the privacy regulation
- ◆ Other examples of firewalls
 - 4 GAO protective orders
 - 4 "Chinese walls"

Exercising A Standard Of Due Care: Reducing Risk

- ◆ Implementing policies and procedures does not excuse an action that violates any part of the regulation 164.530(i)(1)
- ◆ Exercise reasonable care means:
 - 4 that degree of care which a person of ordinary prudence would exercise in the same or similar circumstances. Failure to exercise such care is ordinary negligence. (see 164.504(e)(1))

Where To Learn More About HIPAA

- ◆ <http://privacysecuritynetwork.com/healthcare>
 - 4 These slides are available at the PSN web site. Go to "About Us" on the navigation bar, then click on "Alex Brittin's Presentations."
 - 4 There is also a list serv under the "Site Update." We send out a brief summary (1 page) of important events each week.

Alexander J. Brittin

McKenna & Cuneo, L.L.P.

<http://www.privacysecuritynetwork.com>

(202) 496-7726