

**STATE OF WISCONSIN
DEPARTMENT OF EMPLOYEE TRUST FUNDS
801 West Badger Road
Madison, WI 53702**

CORRESPONDENCE MEMORANDUM

DATE: June 4, 2002
TO: Group Insurance Board
FROM: Kari Jo Zika, Manager of Quality Assurance
SUBJECT: Health Insurance Portability and Accountability Act (HIPAA) Update

The attached memo provides a brief update concerning the impact of HIPAA on Department business operations to ensure appropriate administration of the health benefit plans. The analysis involves two specific areas of the regulation, including electronic data interchange standards and the protection of patient's health information through privacy regulations.

Based on the preliminary analysis of HIPAA by an internal workgroup, Department staff recently met to discuss the recommendations as stated in the Executive Summary. This includes requesting funding through a §13.101 request to the Joint Finance Committee to obtain the necessary resources to continue to evaluate our operations as both a covered entity and business partner to conform to the federal mandates of HIPAA. The recommendations were adopted and it was agreed that we will move forward to seek funds for consulting services as well as one position to act as the Department's Privacy Compliance Officer.

Additional supporting documentation to the Executive Summary is available to the Board upon request. If you have any questions regarding our efforts toward compliance with HIPAA, I will be available at the Board meeting for questions along with Sonya Sidky from the Division of Insurance Services. Thank you.

Attachment