

HSS - Health Insurance Portability and Accountability Act Compliance **FY2010 Request: \$1,337,448**
Reference No: 46918

AP/AL: Appropriation **Project Type:** Information Technology / Systems / Communication

Category: Health/Human Services

Location: Statewide

House District: Statewide (HD 1-40)

Estimated Project Dates: 07/01/2009 - 06/30/2014

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Brief Summary and Statement of Need:

The Health Insurance Portability and Accountability Act (HIPAA) compliance project is a multi-year, multi-phased effort to bring the Department into compliance with 45 CFR parts 160, 162, and 164. Major phases of the project include: initiate and complete risk assessment of DHSS IT systems; implement comprehensive auditing and logging capabilities to track access to Electronic Protected Health Information (EPHI); strengthening department data center defenses to prevent unauthorized access to EPHI; and provide redundant failover for critical IT systems.

Funding:	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	Total
Fed Rcpts	\$668,724	\$744,184	\$460,561				\$1,873,469
G/F Match	\$668,724	\$744,184	\$460,561				\$1,873,469
Total:	\$1,337,448	\$1,488,368	\$921,122	\$0	\$0	\$0	\$3,746,938

<input checked="" type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input checked="" type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
50% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	360,000	4
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	360,000	4

Additional Information / Prior Funding History:

CH159/SLA04/P26/L28 - \$296.0 Federal Unrestricted, \$296.0 Federal
 CH82/SLA03/P28/L27 - \$640.7 GF Match, \$640.7 Federal
 CH1/SLA02/P40/L22 - \$438.8 GF Match, \$438.8 Federal
 CH29/SLA08/P149/L21 - \$1,000.0 Federal

Project Description/Justification:

Information Technology Capital Project Review Form FY2010

1. Has this project been previously approved?

No. A previous HIPAA project was approved and was completed. This project focuses upon remediation of the previous project's assessment of current DHSS levels of compliance with HIPAA.

2. What is the purpose of the project?

The HIPAA compliance project is a multi-year, multi-phased effort to bring DHSS into compliance with 45 CFR parts 160, 162, and 164. Major phases of the project include: initiate and complete risk assessment of DHSS IT systems; implement comprehensive auditing and logging capabilities to track access to electronic protected health information (EPHI); strengthening department data center defenses to prevent unauthorized access to EPHI; and provide redundant failover for critical IT systems.

3. Is this a new systems development project?

No.

Upgrade or enhancement to existing department capabilities?

This project represents more of a remediation of deficiencies discovered under the previous HIPAA project, specifically in regards to meeting federal HIPAA security rule compliance.

4. Specifically, what hardware, software, consulting services, or other items will be purchased with this expenditure?

1. Complete risk assessment of DHSS IT systems by December 31, 2009.
2. Implement auditing and logging solution for DHSS Data Centers which include the following components:
 - a. General Auditing and Logging solution, due June 30, 2010.
 - b. Identification of individual users utilizing privileged accounts with access to EPHI, due June 30, 2011.
 - c. Database Auditing and Logging solution for custom applications that do not generate HIPAA compliant logs, due June 30, 2012.
3. Strengthen DHSS data center defenses which physically contain EPHI:
 - a. Physical Security Audit/Improvements, due June 30, 2010.
 - b. Two-factor authentication for access to extremely sensitive EPHI, due June 30, 2011.
 - c. SourceFire IPS to identify attacks and compromised devices, due June 30, 2011.
 - d. Redundant failover for critical IT systems containing EPHI, due June 30, 2012.
 - e. Provide pertinent Security Awareness and Training for IT Personnel implementing these solutions, due June 30, 2013.

Project Initiation / Planning	\$ 116,000
Requirements Definition	\$ 15,100
DHSS Staff Resources Required	\$ 360,000
Risk Assessment	\$ 225,469
Auditing and Logging	\$ 900,234
Data Center Defenses	\$ 2,100,000
Training	\$ 30,135

Total \$ 3,746,938

5. How will service to the public measurably improve if this project is funded?

Confidentiality of protected citizen health information (EPHI) will be ensured.

6. Does project affect the way in which other public agencies will conduct their business?
No.

7. What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)

Operationally funding the maintenance of any solutions implemented.

8. What will happen if the project is not approved?

DHSS and the State of Alaska will be placed at risk of not complying with federal HIPAA administrative, technical, and physical safeguards as outlined in 45 CFR 160, 162 and 164.

Department's Mission: *To promote and protect the health and well being of Alaskans.* This project supports the Department's mission by ensuring information for all clients requiring health-related services are kept secure and confidential.

The end result to which this project contributes is "The efficient and effective delivery of administrative services."