Office of Civil Rights Remediation Completion | **FY2017 Request: $2,773,980**
Reference No: 58312

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

Category: Health/Human Services
Location: Statewide
House District: Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40)
Contact: Michael Frawley
Estimated Project Dates: 07/01/2016 - 06/30/2021
Contact Phone: (907)465-1870

Brief Summary and Statement of Need:
The Office of Civil Rights was directed to have a comprehensive Risk Assessment of the Department completed by an independent third party. As part of the settlement, the Department is required to address the findings that were identified in the Risk Assessment. This request will fund the addressing of the findings.

Funding:	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
1002 Fed Rcpts	$554,796	$846,286	$496,572	$496,572	$496,572	$496,572	$3,387,370
1003 G/F Match	$2,219,184	$3,385,143	$1,986,286	$1,986,286	$1,986,286	$1,986,286	$13,549,471
Total:	$2,773,980	$4,231,429	$2,482,858	$2,482,858	$2,482,858	$2,482,858	$16,936,841

☐ State Match Required ☐ One-Time Project ☐ Phased - new ☐ Phased - underway ☑ On-Going
0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Prior Funding History / Additional Information:
Sec1 Ch5 SLA2011 P85 L7 SB46 $1,000,000
Sec1 Ch15 SLA2009 P15 L20 SB75 $1,337,448
Sec13 Ch29 SLA2008 P149 L21 SB221 $1,000,000
Sec1 Ch159 SLA2004 P26 L28 SB283 $592,000
Sec1 Ch82 SLA2003 P28 L27 SB100 $1,281,300
Sec1 Ch1 SLA2002 P40 L22 SB2006 $877,500

Project Description/Justification:
Under a Corrective Action Plan (CAP) and settlement with the Office of Civil Rights (OCR), DHSS was required to remediate issues that were identified by Federal investigators responding to a lost hard drive. As part of the CAP a comprehensive risk assessment of the Department was required by OCR. DHSS was then required remediate the findings identified in the assessment, under a 3-year oversight contract to ensure the Department was meeting its remediation and compliance requirements as a HIPAA Covered Entity (CE) delivering health care. This project, as required by the settlement, will address the findings that were identified in the risk assessment.

The risk assessment was completed in March of 2012, which identified 84 findings that the department is required to address as part of the CAP. The third party independent contractor estimated the cost to remediate the findings at $5,318,200. The department has hired a contractor to develop an implementation plan that addresses the findings as a phased multi-year project and anticipates adjustments to the costs in each year.

This project directly addresses the findings under the Office of Civil Rights Corrective Action Plan, and is an enhancement to the department's security and Health Insurance Portability and Accountability Act (HIPAA) compliance program. This project will complete the following:
1. Audit and Logging
2. Risk Assessment for electronic Protected Health Information (ePHI)
3. Access Controls
4. Identity Management & Secure Data Access

In addition to the one-time remediation under the CAP the department is obligated to implement a HIPAA ongoing compliance program, to ensure that once the items in the CAP are resolved, DHSS continues to meet minimum requirements to protect Alaska's citizen's health data. The ongoing compliance is to meet the three required federal rules under HIPAA, 1) Privacy Rule, 2) Security Rule and 3) Breach Notification Rule. The ongoing and recurring costs to cover the HIPAA compliance framework and the three rules include; Auditing and Logging, Vendor Management through Business Associate agreements, Security Awareness and Training, annual reviews and updates to DHSS Policies and Procedures, annual comprehensive risk assessment program, Physical Security of Data and Information, Access Controls, Configuration Management, Change Management, Disaster Recovery and Continuity of Operations, Incident Response and Data Breach Notification, System Certifications and Accreditations, Media and Device Protection, and Personnel Security and Access.

The project funding will be allocated to the following items:

	One-Time Costs	Ongoing Costs	Total
Hardware/Software/Licensing	$730,000	$414,400	$1,144,400
Contractual (Professional Services to implement HIPAA Privacy, Security & Breach Notification Controls)	$1,052,000	$522,100	$1,574,100
Capital Funds Administration	$36,368	$19,112	$55,480
Total for FY2017	***$1,818,368***	***$955,612***	***$2,773,980***

The public's Protected Health Information and confidential data will be protected and secured at a level in compliance with the Health Insurance Portability and Accountability Act, including updated rules, increased penalties, and additional reporting requirements enacted in September 2013.

Projected FY2018 Costs:

	One-Time Costs	Ongoing Costs	Total
Hardware/Software/Licensing	$735,000	$664,400	$1,399,400
Contractual (Professional Services to implement HIPAA Privacy, Security & Breach Notification Controls)	$978,600	$1,768,800	$2,747,400
Capital Funds Administration	$34,971	$49,658	$84,629
Total for FY2018	***$1,748,571***	***$2,482,858***	***$4,231,429***

Projected Out Year costs:

	FY2019	FY2020	FY2021	FY2022
Hardware/Software/Licensing	$664,400	$664,400	$664,400	$664,400
Contractual (Professional Services to implement HIPAA Privacy, Security & Breach Notification Controls)	$1,768,800	$1,768,800	$1,768,800	$1,768,800
Capital Funds Administration	$49,658	$49,658	$49,658	$49,658
Fiscal Year Total	***$2,482,858***	***$2,482,858***	***$2,482,858***	***$2,482,858***

This project will improve the Department's ability to meet the Office of Civil Rights compliance requirement to protect citizen data using the following compliance program:

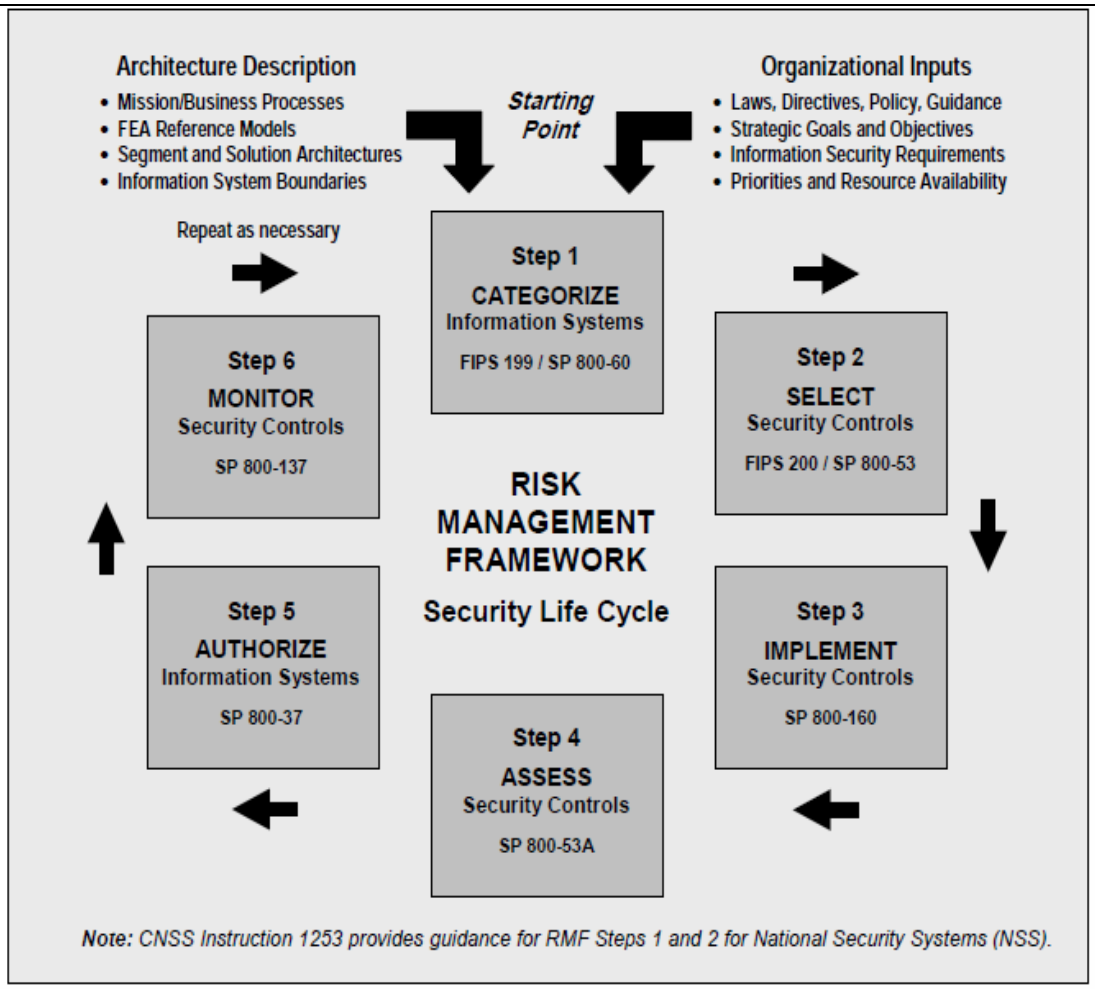

TABLE 1: SECURITY CONTROL IDENTIFIERS AND FAMILY NAMES

ID	FAMILY	ID	FAMILY
AC	Access Control	MP	Media Protection
AT	Awareness and Training	PE	Physical and Environmental Protection
AU	Audit and Accountability	PL	Planning
CA	Security Assessment and Authorization	PS	Personnel Security
CM	Configuration Management	RA	Risk Assessment
CP	Contingency Planning	SA	System and Services Acquisition
IA	Identification and Authentication	SC	System and Communications Protection
IR	Incident Response	SI	System and Information Integrity
MA	Maintenance	PM	Program Management

The Department of Health and Social Services will require that all entities exchanging protected information comply with the new standards set under the September 2013 updated Health Insurance Portability and Accountability Act enhanced Federal compliance requirements.

The total Health Insurance Portability and Accountability Act Office of Civil Rights remediation costs were identified to be $5,318,200, with an annual cost to maintain compliance at $2,482,858.

If this project is not completed the terms and conditions of the Department of Health and Social Services Settlement with the Office of Civil Rights will not be met and the department will forfeit its protection from additional fines and litigation related to this investigation. Department of Health and Social Services will not meet reasonable levels of securing citizen information expected when providing Treatment, Payment and Operations of Health Insurance Portability and Accountability Act categorized information.