

Board Meeting  
July 24, 2008

REVISE CRITERIA FOR DEFINING THE “COVERED ENTITY” UNDER HEALTH  
INSURANCE PORTABILITY AND ACCOUNTABILITY ACT

**Action:** Approve Revisions to the Criteria for Defining Which Healthcare Components of the University are Part of the “Covered Entity” for Purposes of Health Insurance Portability and Accountability Act

**Funding:** No New Funding Required

The Health Insurance Portability & Accountability Act of 1996 (“HIPAA”) was enacted to establish a set of national standards to ensure the privacy of certain protected health information (“PHI”) of individuals. HIPAA applies to “covered entities” such as health care providers that transmit information electronically in connection with covered transactions. A covered entity that is a single legal entity made up of both health care and non-health care components is a “hybrid entity.” The University is such a hybrid entity and is required to define and designate its health care components.

On July 17, 2003, the Board designated those components of the University that were part of the hybrid entity. The Board item identified by name each individual component within the University. That listing has not been revised since being approved in July 2003. However, in light of changes within the University, such as the establishment of new clinics, the listing does not accurately reflect the current health care components of the University.

Rather than requesting that the Board approve revisions to the designation each time that a new clinic is established, it is recommended that the Board approve the *criteria* by which a health care component would be included in the hybrid entity. The criteria established by the Board will then be used by Dr. William Chamberlin, Chief Medical Officer of the University of Illinois Medical Center at Chicago, to identify the health care components of the University that should be included within the hybrid entity. Prior to such determinations, Dr. Chamberlin will advise the Board of Trustees.

The pages that follow include a Venn diagram of the universe of health information (page 4) and the definitions applicable to this discussion (page 5). Protected Health Information (“PHI”) is covered currently by HIPAA law. Individually Identifiable Health Information (“IIHI”) expands the definition to written records. Finally, Health Information (“HI”) is identified as all such data used in the care of patients.

It is recommended that the Board adopt the following:

IIHI is defined as: “any health information, including demographic information collected from an individual, that is created or received by a health care provider and relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual; or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.”

The HIPAA covered entity consists of: “any unit with IIHI and any components of the University that perform services for those units.”

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The President of the University recommends approval.