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Employee Benefits Client Alert

March 24, 2006

Time Is Running Out! Is Your Health Plan Prepared For The Upcoming HIPAA Deadline?

The effective date for “small” group health plans to comply with the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) Security Requirements is April 20, 2006. While the clock is ticking, you still have time to comply.

HIPAA Security Summary

Under the HIPAA Security Rules a covered entity, including a group health plan, is required to implement security measures to ensure the confidentiality, integrity and availability of electronic protected health information (“ePHI”) that the covered entity creates, receives, maintains or transmits. The Security Rules contain 22 standards that are organized in three categories: administrative safeguards, physical safeguards and technical safeguards. Each standard contains implementation specifications which are either required or addressable. All covered entities must implement the required specifications but may determine what is reasonable and appropriate for the addressable specifications. The HIPAA Security Rules require a covered entity to conduct a risk assessment and document how it complies with the standards and addressable specifications.

Required Action

We recommend the following steps when implementing the Security Rules:

- 1) ***Conduct a Risk Analysis of the Security Rules’ 22 Standards.*** As part of the risk analysis, evaluate how the group health plan satisfies each of the required standards. With respect to the addressable standards, evaluate the level of risk associated with the integrity, confidentiality and availability of ePHI.

- 2) ***Prepare HIPAA Security Policies and Procedures.*** These policies and procedures are designed to assist the group health plan in complying with the Security Rule.
- 3) ***Prepare a Risk Analysis and Management Report.*** This report summarizes and documents how the group health plan satisfies HIPAA's required and addressable standards.
- 4) ***Conduct HIPAA Security Training.*** We recommend including a HIPAA Privacy refresher at this time as well.

If you have questions or would like assistance in completing any of the above action items, please contact a member of the Kutak Rock Employee Benefits Practice Group.

Additional Information

This Employee Benefits Client Alert is a publication of Kutak Rock LLP. This publication is intended to notify our clients and friends of current events and provide general information about employee benefits issues. The Kutak Rock LLP Employee Benefits Client Alert is not intended, nor should it be used, as legal advice.

For further information about this Client Alert or any specific legal question, please contact your regular Kutak Rock LLP contact or any member of the Employee Benefits Practice Group, including those identified below:

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