

**EMPLOYEE GROUP INSURANCE
TREATMENT OF PROTECTED HEALTH INFORMATION**

Policy 2: Organization of EGI for HIPAA Privacy Standard Compliance Purposes	Page: 1 of 2
Effective Date: April 14, 2003	

POLICY

EGI provides many different types of services to System employees, retired employees, spouses and eligible dependents (“Members”). HIPAA requires only Covered Entities to comply with the HIPAA Privacy Standards. Not all of the functions performed by EGI are performed by EGI in its capacity as a Covered Entity. The purpose of this policy is to describe the various functions performed by EGI and to identify whether the functions must be performed in compliance with the HIPAA Privacy Standards.

Section 2.1 The policies and procedures in this Manual shall apply to all functions performed by EGI in its capacity as a Covered Entity under HIPAA.

EGI functions as a Covered Entity under HIPAA when it acts as the plan administrator for the Self-funded Health Plans that it offers to Members. Since The University of Texas System functions as a state agency, EGI’s Self-funded Group Health Plans are not subject to ERISA. The self-funded plans currently offered by EGI are UT Select and UT Dental Select. UT Select is a PPO medical coverage plan with pharmacy benefits. Many administrative services for the medical portion of the plan are provided through a contract with a general indemnity insurance carrier. Many administrative services for the pharmacy benefit portion of the plan are provided through a contract with a pharmacy benefits manager. UT Dental Select is a dental plan. Many administrative services are administered by a contract with a dental indemnity carrier. EGI also offers UT FLEX, a medical and dependent flexible spending account plan administered by a contract with a flexible spending plan administrator. For purposes of HIPAA, UT FLEX is considered by EGI to be a Self-funded Group Health Plan. EGI is required to comply with the HIPAA Privacy Standards only in its capacity as the administrator of its Self-funded Group Health plans. The policies and procedures set forth in this Manual are applicable to EGI and its staff when it is performing functions in this capacity. The Secretary has the ability to enforce the HIPAA Privacy Standards against EGI when it is performing functions in this capacity.

Section 2.2 The policies and procedures in this Manual that apply to Plan Sponsors shall apply to all functions performed by EGI in its capacity as a Plan Sponsor as defined by the HIPAA Privacy Standards.

EGI functions as a Plan Sponsor to Fully-insured Group Health Plans that are Covered Entities under HIPAA. Plan Sponsors have a more limited responsibility under HIPAA than a Covered Entity and are not subject to the jurisdiction of the Secretary. EGI has a Plan Sponsor relationship with the licensed HMOs and insurers that are providing or have provided fully-insured health coverage to Members through a contract with EGI. EGI is required to comply with the HIPAA Privacy Standards that apply to Plan Sponsors when acting in the capacity of

a Plan Sponsor. Only the policies and procedures designated in this Manual as applicable to Plan Sponsors (see Policy 5) are applicable to EGI and its staff when it is performing functions in this capacity. The Secretary does not have the ability to enforce the HIPAA Privacy Standards against EGI when it is performing functions in this capacity.

Section 2.3 None of the policies and procedures in this Manual shall apply to any functions performed by EGI in its capacity as a plan sponsor or administrator to a plan that is not subject to the HIPAA Privacy Standards.

EGI functions in other capacities that are not subject to HIPAA. The benefits currently offered by EGI that are not subject to the HIPAA Privacy Standards are life insurance coverage, long-term disability coverage, short-term disability coverage, long-term care and personal accident insurance. While it is the practice of EGI at all times to respect the privacy of its members and to protect the confidentiality of all information that it receives from its Members to the extent permitted by law, the medical and health information received by EGI in the process of offering these non-HIPAA subject benefits to Members is not PHI as defined by HIPAA or the HIPAA Privacy Standards. None of the policies or procedures in this Manual are applicable to EGI and its staff when it is performing functions in a capacity that is not subject to HIPAA. The Secretary does not have the ability to enforce the HIPAA Privacy Standards against EGI when it is performing functions in this capacity.

REFERENCES/CITATIONS

45 C.F.R. §164.104

45 C.F.R. §164.500

45 C.F.R. §164.504(f)