



COVERED, HYBRID, AND NON-COVERED ENTITIES

Background

Title II of the Administrative Simplification provisions within the Health Insurance Portability and Accountability Act (HIPAA) of 1996 requires the Department of Health and Human Services (DHHS) to establish national standards in the areas of Privacy, Security, National Provider Identifiers, and Transaction and Code Sets. These Administrative Simplification provisions of HIPAA apply to any entity that is a health care provider, health care clearinghouse, or health plan collectively called, **Covered Entities**.

An organization that performs both HIPAA covered and non-covered functions as part of its business operations is designated as a **Hybrid Entity**. Covered functions are those functions that makes the performer a health care provider, health care clearinghouse, or a health plan.

In 2002, the North Carolina Department of Health and Human Services (NCDHHS) has designated itself as a hybrid entity. In order to qualify itself as a hybrid entity, NCDHHS is required to identify the health care components within its organization. Health care components are those Divisions and Offices that operate as a Covered Entity, or portions that use, create, or disclose individually identifiable health information as NCDHHS internal or external business associates. The following table lists NCDHHS Divisions and Offices that are designated as Covered, Hybrid, and Non-Covered components.

NCDHHS Covered Entities	<i>NCDHHS Hybrid Entities*</i>	NCDHHS Non-Covered Entities
General Counsel	<i>Public Health</i>	Budget and Analysis
Health Benefits (NC Medicaid)	<i>Social Services</i>	Child Development and Early Education
Information Technology	<i>Vocational Rehabilitation Services</i>	Disability Determination Services
Internal Audit	<i>Child and Family Well-Being</i>	Health Service Regulation
Mental Health, Developmental Disability, and Substance Abuse Services		Human Resources
NC FAST		Office of Economic Opportunity
Office of Communications		Office of Minority Health and Health Disparities
Office of Government Affairs		Office of Procurement, Contracts, and Grants
Office of Rural Health		Property and Construction
Office of the Secretary		Services for the Deaf and the Hard of Hearing
Privacy and Security		Services for the Blind
State Operated Healthcare Facilities		Aging and Adult Services

***Internal Business Associate:** A NCDHHS Division or Office or portion of a NCDHHS Division or Office that performs certain functions, activities or services for, or on behalf of a DHHS health plan, covered health care provider, or health care clearinghouse involving the use, creation, or disclosure of individually identifiable health information.

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