

Alliance Alert

The Public Employee Benefits Alliance (PEBA) was created by a group of Texas Government leaders working together for over a year to develop strategies to manage the rising costs of healthcare benefits. PEBA was established in January 2006 and was created pursuant to Chapter 791 of the Texas government Code, the Purchasing Program Chapter 271 of the Texas Local government Code and all other applicable provisions of Texas Law. PEBA membership is open to all Texas local governments who pay an annual membership fee and execute a PEBA Participating Interlocal Agreement. However, local governments who are members of one of the political subdivision Pools will obtain automatic annual PEBA membership through the participating Pool. An additional per proposal fee is established for proposal participants for all non-Pool members.

PEBA's mission is to support the individual members by providing: negotiation services to manage the spiraling cost of healthcare and related benefits, working together through the alliance procurement model to purchase healthcare and related benefits at a competitive price, and provide contractual negotiations which will include vendor service accountability requirements. In order to accomplish this mission, PEBA makes a commitment to negotiate on behalf of the membership affordable, high-quality healthcare and related benefits and services.

The Public Employee Benefits Alliance (PEBA) Board met on September 11, 2009 to review the proposals that were received for the PEBA HIPAA Security Protected Health Information Audit. The Board made the decision to award Spohn Consulting with the Public Employee Benefits Alliance Security Audit Agreement.

Spohn Consulting's overview of services includes:

- Vulnerability Audit
- Firewall Audit
- Audit Virus Scanner
- Business Continuity Plan Review
- Review PHI and Security Policy and Procedures
- Operational Interviews for Procedure Compliance
- Physical Infrastructure
- Software Architecture
- Network Topology
- Identification of Potential Threats
- Determine Potential Threats and Exposure to Threats
- Compile Exit Report

PEBA would like to invite you and your staff to participate in a Webcast to discuss the PEBA / Spohn Consulting Alliance and the offerings available to the PEBA membership:

WEBCAST INFORMATION:

When: Wednesday, September 23, 2009

Time: 2:00 pm CT

Registration: To register for this Webcast at no cost, contact PEBA at peba@tmliebp.org or at (512) 719-6768. We will need your name and title, email address and employer/group name to reserve a space.

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During the interview and negotiation process, PEBA was guaranteed that Spohn has the capability to audit Healthcare Plan covered entities, Provider covered entities such as employer emergency services and employer on-site health clinics or virtual clinics. If you are interested in accessing the PEBA HIPAA Security Protected Health Information Audit service the employer will be requested to provide the following information to obtain employer pricing:

Number of sites visited _____
Primary site city _____
Secondary site city (if applicable) _____
Number of employees _____
Number of external hosts _____
Number of public IP addresses _____
Number of file & print servers _____
Number of database servers _____
Number of web servers _____
Number of application servers _____
Number of other servers _____
Number of domains _____
Number of workstations _____
Number of SNMP strings _____
Number of wiring closets _____
Number of switches _____
Number of routers _____
Number of firewalls & IDS _____

Per the information sheet received from the PEBA membership, Spohn calculated the PEBA HIPAA Security Protected Health Information Audit Assessment cost: \$9,742.00 + Travel and Expenses.

Prior to the PEBA Board recommendation, the PEBA staff reviewed the CMS security rules to ensure compliance would be achieved. Below are the CMS common security rules that should be achieved during the covered entity audit.

CMS cites common security rule issues that include:

- 1. Risk Assessment:** Covered entities do not perform a risk assessment, lacked a formal documented risk assessment process or had risk assessments that were outdated or did not address all potential areas of risk. CMS called for risk assessments of "all systems and applications which store, process or transmit e-PHI" to be conducted" at least every three years or whenever there is a significant change in the environment.
- 2. Currency of Policies and Procedures:** Covered entities were slow to review security policies and procedures or failed to document this process. The procedures documented were not always the ones actually followed.
- 3. Security Awareness and Training:** Covered entities did not have formally documented training policies, did not track and retain evidence of training completion, granted user access before training completion or failed to refresh the training regularly.
- 4. Workforce Clearance:** Covered entities granted access to e-PHI before completing background investigations.
- 5. Workstation Security:** Covered entities lacked a formal documented process for verifying the security of workstations, were not complying with their policies and procedures for securing workstations or did not deploy the necessary tools to implement documented policies.
- 6. Encryption:** Was not implemented on all workstations and laptops or on the transmission of data containing e-PHI, or strong encryption was not consistently implemented.

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The expansion of HIPAA regarding the HITECH Act details five items that must be included in breach notices. The HITECH Act details will be included in the audit.

For political subdivisions that have not joined PEBA and/or did not participate in this proposal process, it is not too late. Political subdivision employers may still access the PEBA Alliance contracts if they are current with the PEBA Annual Membership Fee, Proposal Cost, Late Fee (if appropriate) and Interlocal Agreement. PEBA has demonstrated proposal success due the PEBA membership cooperation and support.

For more information, please contact PEBA directly: (800) 348-2879 ext. 6768.

If you did not participant in the initial proposal process and now are interested in obtaining a quote, please note the proposal and late entrant fee stated below. Please complete the Letter of Intent Document and submit to PEBA if you are interested in accessing the PEBA Security vendor.

Protected Health Information/Security	0-100 Active Lives: \$500.00 101-500 Active Lives: \$1,000.00 500-1000 Active Lives: \$1,850.00 >1000 Active Lives: \$2,500.00 Late Fee: \$250
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Public Employee Benefits Alliance

Letter of Intent

Enter your group's name here intends to access the PEBA Alliance agreement with Spohn Consulting. Enter your group's name here realizes the Alliance Agreement is a three year term and to access Spohn Consulting and PEBA Alliance Agreement the employer must continue to be an active member of PEBA with appropriate annual membership and proposal fees paid in full. Each group will be required to enter into a separate agreement with Spohn Consulting.

Signature

Printed Name

Title

Employer