

# LACERA PRIVACY AND CONFIDENTIALITY POLICY

Revised 02/09/06

## A. INTRODUCTION:

1. LACERA's mission is to produce, protect, and provide promised benefits. An important aspect of this mission is protecting the privacy of our members and their beneficiaries, and the security of LACERA's operations. Accordingly, LACERA does not sell or trade members' personal information; nor does LACERA disclose it to anyone other than those who need it to provide member services or those who are legally entitled to it. LACERA also maintains the confidentiality of information that could impact the security of its members, its personnel, or its assets, as well as legally privileged information.

## B. DEFINITIONS:

1. **Confidential Information:** This is information obtained or created by LACERA which is restricted as to access, disclosure or use. It may be found in any medium, whether oral, written, or electronic. It includes the following:
  2. **PI:** Personal Information (PI) is any non-public information that is identifiable to an individual. It may be demographic, such as the individual's age or address, or it may be health information, such as his or her medical history. It includes member records and sworn statements.
  3. **PHI:** Protected health information (PHI) is a subset of Personal Information (PI). PHI is individually identifiable health and demographic information created or collected by a covered entity or a business associate of a covered entity. At LACERA, it is individually identifiable health information gathered for and by our Retirement Health Care Division. It does not include information gathered by our Disability or Pension Benefit functions.
  4. **SI:** Security Information (SI) is information which, if improperly disclosed, could adversely impact the security of a LACERA member, a LACERA staff member, or LACERA's assets. Examples include information about LACERA's computer systems, financial accounts, and access systems.
  5. **PRI:** Privileged Information (PRI) is information which falls into a legally recognized category that is protected from compulsory disclosure. An example is attorney-client communications.
6. **Individual:** Any person who is the subject of PI or PHI.
7. **Covered entity:** A health plan, a health care provider, or a health care clearinghouse.
8. **Business associate:** A party separate from a covered entity who performs health care-related treatment, payment or business operations (TPO) on behalf of the covered entity, and whose work involves PHI.

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9. **TPO:** The acronym TPO refers to health care treatment, payment, and operations. PHI may be used for the health care treatment, payment, and operations of a covered entity. Generally, other uses require a written authorization from the individual and tracking of the use of the PHI.

## **C. OBJECTIVE:**

1. This privacy policy provides guidance to enable LACERA to meet its commitment to protect the privacy of its members, protect the security of LACERA, its employees and its assets, and comply with relevant legal requirements.
2. There are a number of laws that address privacy and security issues. The following laws most significantly impact LACERA.
3.
  - In the 1937 Act, California Government Code 31532 precludes disclosure of LACERA's member records and sworn statements unless proper authorization is provided.
4.
  - The Health Insurance Portability and Accountability Act of 1996 (HIPAA) governs PHI and imposes certain administrative requirements.
5. Beyond these legal requirements, LACERA continuously reviews legislation and privacy and security practices to ensure the privacy of its members and the security of its operations.

## **D. PRIVACY POLICY DIRECTIVES:**

1. In accordance with applicable laws and LACERA's mission, all LACERA employees\* are responsible for ensuring that PI and PHI, including member records and sworn statements, are not disclosed except to:
  2.
    - Authorized LACERA employees for approved purposes,
  3.
    - the member upon request, or
  4.
    - third parties who have appropriate authorizing documentation.
5. In addition, LACERA employees are responsible for ensuring that PI and PHI are obtained, used or shared only to the minimum necessary extent that is required to further LACERA's mission, within the constraints of applicable laws. This means that access to PI and PHI is permitted on a need-to-know basis.
6. Reasonable safeguards are to be implemented to ensure the privacy of PI and PHI, including controls on who can access the information, how the information is used, how it is obtained, stored and shared, and how it is eventually discarded. Member sworn statements and member records are to be kept confidential.

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7. HIPAA imposes specific restrictions with respect to PHI. As the administrator for the retirement health care insurance benefits of its members, LACERA generally may not disclose PHI for purposes other than the TPO of its retirement health care function without obtaining a written authorization from the individual and tracking its use of the PHI.
8. SI and PRI are to be secured at all times from unauthorized disclosure or use.
9. The deliberate or negligent mishandling or misuse of PI, PHI, SI, or PRI is considered to be misconduct and is enforced through LACERA's Misconduct and Illegal Acts Policy.

\* With regard to this policy only, the term "employee(s)" refers to all LACERA personnel who are directed or directly supervised by LACERA management.

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## **E. PRIVACY POLICY PROGRAM:**

1. LACERA's privacy policy will be implemented through the following activities:
2.
  - LACERA will maintain policies and procedures which provide guidance for the handling of PI and PHI. A Privacy Officer will coordinate these policies and procedures.
3.
  - LACERA will maintain policies and procedures which provide guidance for the handling of SI. A Security Officer will coordinate these policies and procedures.
4.
  - LACERA will maintain policies and procedures which provide guidance for the handling of PRI. LACERA's Legal Office will coordinate these policies and procedures.
5.
  - LACERA will implement physical and electronic controls to protect the privacy of PI, PHI, SI and PRI.
6.
  - LACERA will train all employees upon entry and periodically on privacy and confidentiality policies and procedures. Staff and board members will be required to execute a confidentiality/non-disclosure agreement.
7.
  - LACERA will maintain proper disclosures and disclaimers in all publications and communications with outside parties that may involve PI or PHI.
8.
  - LACERA will obtain a written authorization from the individual before disclosing Retirement Health Care PHI to anyone within LACERA for purposes other than Retirement Health Care TPO.
9.
  - LACERA will obtain a written authorization from the individual before disclosing PI or PHI to third parties other than third parties working on behalf of LACERA or those who require the information by law or per a court order (e.g.: government agencies, litigants). Other exceptions may apply as well.
10.
  - LACERA will obtain appropriate supporting documentation from third parties who require PI or PHI by law or per a court order before disclosing PI or PHI to such parties (e.g.: government agencies, litigants).
11.
  - LACERA will maintain, as needed, proper contractual agreements with outside parties working on behalf of LACERA, including non-disclosure/confidentiality agreements, to ensure confidentiality of PI, PHI, SI and PRI.
12.
  - LACERA will establish procedures for receiving and responding to disputes regarding PI or PHI for providing individuals access to their own PI and PHI, and for notifying individuals about any unauthorized use of their PI and PHI. A contact person who reports to the Privacy Officer will coordinate these procedures.

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13.
  - LACERA will include a privacy and security risk assessment in the annual organization-wide risk assessment conducted by Internal Audit.
14.
  - LACERA will periodically review this privacy policy to ensure that it addresses all relevant laws and risks inherent in the handling of PI and PHI.
15.
  - LACERA will monitor compliance with this policy and applicable laws. This may include periodic audits and other monitoring tools.