

## GOVERNANCE COMMITTEE MEETING

A meeting of the City Council Governance Committee was held on Thursday, April 21, 2005 at 12:00 noon with the following present:

**Members Present:** Mayor Pro Tem Art Hall, District 8  
Councilmember Richard Perez, District 4  
Councilmember Carroll Schubert, District 9

**Staff Present:** Patricia Major, City Auditor; Leticia Vacek, City Clerk;  
Erik Walsh, Asst to City Manager; Richard Varn, CIO;  
Walter Ague, Asst to Mayor; Peter Zanoni, Budget Director  
Sharon De La Garza, HR Director; Mark Swann, Auditor

### CALL TO ORDER

Mayor Pro Tem Hall called the meeting to order.

#### I. **BRIEFING BY PATRICIA MAJOR, CITY AUDITOR ON THE FOLLOWING ITEM:**

##### **A) Status of City Compliance Readiness for the Health Insurance Portability and Accountability Act (HIPAA) passed August, 1996 for the April 21, 2005 Deadline.**

Ms. Major introduced Mark Swann of her office who assumed the floor and reported that the HIPAA came up as an issue where two audits were performed. He referred to the security rule issue, the privacy rule issue and the rules under HIPAA. He also made reference to slides 8, 9, 10, 11 and 12 of his presentation which deal with the relationship of Privacy and Security as well as the COSA EMS Data Flow. He added that there are deadlines for compliance and the civil and criminal penalties for non-compliance.

Lastly, Mr. Swann noted the recommendations whereby the City Manager would designate HIPAA as a city-wide project and designate a city-wide HIPAA Compliance Officer. Ms. Major mentioned that the city would mandate the project beginning with fiscal year 2006 operating and capital budgets reflecting specific line items. She also recommended formal reporting on HIPAA compliance.

Ms. De La Garza reported that she had a compliance officer for HIPAA in the Human Resources Department. She added that they are currently working on obtaining new health cards that do not reflect a person's social security number.

Mr. Varn reported that the city has not linked physical security to computers merged with buildings and computers. He stated that this link would protect records. Mayor Pro Tem Hall asked what the cost to the city would be and the timeline for compliance. Ms. Major stated that

she was not sure if each department understood the risk factors and the risk associated with outside agencies. Mr. Varn stated that he did not have a cost or timeline but stated that he physical and logical security needs to be addressed first to be successful.

Councilmember Perez mentioned that this is an unfunded mandate and noted that security is a concern thus a security plan needed to be in place. He added that the security plans needs to be budgeted. He asked who at City Hall would be most fit to devise a plan. After a brief discussion, Mr. Varn was asked to come up with a plan and to bring it to the Governance Committee for briefing. Councilmember Schubert noted that staff needs to follow the guidelines and figure out how to implement what is necessary.

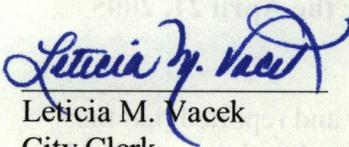
## II. CONSIDERATION OF SCHEDULING ITEMS FOR FUTURE MEETINGS.

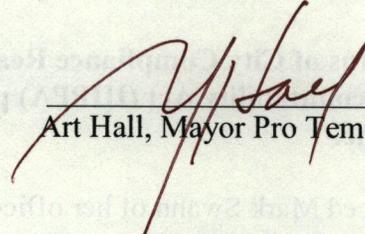
Mr. Walsh reported that the Temporary Crime Control Prevention Board item would be placed on an upcoming City Council Meeting.

### ADJOURNMENT

There being no further items to come before the Governance Committee, the meeting was adjourned at 12:36 pm.

Attest:

  
Leticia M. Vacek  
City Clerk

  
Art Hall, Mayor Pro Tem