

**MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Administration**

TO: Honorable Board of Supervisors
FROM: Jeffrey S. Brown, M.P.H., M.S.W., Director of Health and Human Services
Rebecca Mellott, Director of HHS Administration
DATE: October 7, 2014
SUBJECT: Health Insurance Portability Accountability Act (HIPAA) Consulting Agreement

ACTION REQUESTED:

1. Approve a contract with Nixon Peabody LLP from October 8, 2014 through June 30, 2016 in an amount not to exceed \$40,000 (\$10,400 net County cost) to provide legal services regarding health information privacy and security, and authorize the Director of Health and Human Services to sign subsequent amendments up to 10 percent of the original contract amount, consistent with the contract's subject matter and scope of work.

BACKGROUND:

Federal privacy and security rules experienced significant changes in 2013, requiring modification of the County's privacy and security policies and procedures. HHS retained Nixon Peabody to review and update these policies, as well as to conduct a security risk assessment and evaluation of the County's existing HIPAA program. At this time, HHS would like to establish a retainer agreement with Nixon Peabody to be used for technical consultation on data privacy and security law, investigations, and data breaches, and to provide the County with time-sensitive legal assistance in addressing possible State or Federal sanctions in the event that a future privacy breach or negative audit finding makes this representation advantageous to the County.

Nixon Peabody possesses specific knowledge and skills relative to this unique area of the law and has successfully challenged federal privacy penalties and sanctions on behalf of other entities across the country. County Counsel is supportive of this approach.

This agreement is for the purchase of professional services and is exempt from competitive solicitation in accordance with Purchasing Policy Section 1.3(a).

FISCAL IMPACT:

Total expenditures of \$40,000 include \$29,600 in Federal and State funds, and \$10,400 in County General Funds. Funding of \$20,000 is included in the Department's FY 2014-15 Final Budget, and \$20,000 will be included in the Department's FY 2015-16 Requested Budget.

This contract is on file with the Clerk of the Board for review.

