



THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D C 20301-1200

HEALTH AFFAIRS

APR 24 2003

The Honorable John Warner
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510-6050

Dear Mr Chairman.

I am pleased to provide you this final report on the development and implementation of regulations to improve privacy protections of medical records held by the Department of Defense (DoD), as required by Section 756 of the National Defense Authorization Act for Fiscal Year 2001.

The Act required the submission to Congress of a comprehensive plan to improve privacy protections for medical records maintained by DoD. DoD's plan is also consistent with the regulations promulgated under section 264(c) issued by the Secretary of the Department of Health and Human Services (HHS) under the Health Insurance Portability and Accountability Act (HIPAA) of 1996. The law further directed that, notwithstanding any other law, DoD issue interim regulations pending full implementation of the comprehensive plan, to improve privacy protections. By statutory specification, the interim regulations are to provide maximum protections for privacy consistent with actions necessary for purposes of national security, law enforcement, patient treatment, public health reporting, accreditation and licensure review activities, external peer review and other quality assurance program activities, fraud and abuse prevention, and other purposes. The recognition of the need to use medical information for these purposes is a critically important feature of this statute.

DoD's interim regulations to improve privacy protections for DoD medical records were signed on October 30, 2000. Work on the comprehensive plan required by the statute was delayed by the HHS review to determine the finality of the HIPAA regulations issued December 28, 2000. An interim report submitted on March 11, 2002 explained that the report was delayed because the HIPAA Privacy Rule had not been finalized by HHS. On April 14, 2001, HHS announced that the Privacy Rule would take effect with a full compliance date of April 14, 2003.

DoD's comprehensive plan consists of the following

During the spring and summer of 2001, DoD began the work to analyze the components of the Privacy rule and develop the necessary implementing regulation. At the same time, resources were identified and assigned within the Army, Navy, Air Force and Coast Guard to begin the identification of Service specific requirements. Throughout the course of DoD's processes to establish these privacy protections, we have included

the uniformed services in each decision evolution Uniformed service representatives were included in the selection of web based tools designed to train the work force and implement the policy requirements at treatment facilities Service involvement has been crucial to the effectiveness of the program implementation.

DoD has established, under the authority of the Assistant Secretary of Defense (Health Affairs), a permanent, full time Privacy Officer position to ensure long term continuity of privacy protections of DoD and its components This incumbent will serve as DoD's liaison for implementation of subsequent changes between HHS and DoD's treatment facilities DoD has begun development of additional Privacy Officer training to meet the needs presented by our ever mobile workforce.

An aggressive briefing schedule has been in place since spring 2002 We continue to brief audiences ranging from senior DoD Service leadership to treatment facility staff

DoD has assembled long term budget estimates from all uniformed services and included those figures in the DoD Program Objective Memorandum for fiscal years 04-09. The financial support of this program in future years will be essential in the maintenance of these important privacy protections

DoD has made a significant commitment to protect the medical records and health information it maintains. The finalized DoD Health Information Privacy Regulation is enclosed. This regulation implemented the Department of Health and Human Services Privacy Rule and was effective on April 14, 2003 The application of the policies, procedures, and requirements, along with the completion of our workforce training, will form the first stage of the program to enhance our protection of health information. Long term plans are in development and resources are available to sustain this program into the future We are confident we will fully meet the requirements of the HIPAA Privacy Rule and protect health information entrusted to the DoD and its components

Thank you for your interest in the Military Health System

Sincerely,


William Winkenwelder, Jr., MD

Enclosure.
As stated

cc.
Senator Carl Levin