



## COVERED, HYBRID, AND NON-COVERED ENTITIES

### Background

Title II of the Administrative Simplification provisions within the Health Insurance Portability and Accountability Act (HIPAA) of 1996 requires the Department of Health and Human Services (DHHS) to establish national standards in the areas of Privacy, Security, National Provider Identifiers, and Transaction and Code Sets. These Administrative Simplification provisions of HIPAA apply to any entity that is a health care provider, health care clearinghouse, or health plan collectively called, **Covered Entities**.

An organization that performs both HIPAA covered and non-covered functions as part of its business operations is designated as a **Hybrid Entity**. Covered functions are those functions that makes the performer a health care provider, health care clearinghouse, or a health plan.

In 2002, the North Carolina Department of Health and Human Services (NCDHHS) has designated itself as a hybrid entity. In order to qualify itself as a hybrid entity, NCDHHS is required to identify the health care components within its organization. Health care components are those Divisions and Offices that operate as a Covered Entity, or portions that use, create, or disclose individually identifiable health information as NCDHHS internal or external business associates. The following table lists NCDHHS Divisions and Offices that are designated as Covered, Hybrid, and Non-Covered components.

<b>NCDHHS Covered Entities</b>	<b><i>NCDHHS Hybrid Entities*</i></b>	<b>NCDHHS Non-Covered Entities</b>
<b>General Counsel</b>	<i>Aging and Adult Services</i>	Budget and Analysis
<b>Health Benefits (NC Medicaid)</b>	<i>Public Health</i>	Child Development and Early Education
<b>Information Technology</b>	<i>Social Services</i>	Disability Determination Services
<b>Internal Audit</b>	<i>Vocational Rehabilitation Services</i>	Health Service Regulation
<b>Mental Health, Developmental Disability, and Substance Abuse Services</b>		Human Resources
<b>NC FAST</b>		Office of Economic Opportunity
<b>Office of Communications</b>		Office of Minority Health and Health Disparities
<b>Office of Government Affairs</b>		Office of Procurement, Contracts, and Grants
<b>Office of Rural Health</b>		Property and Construction
<b>Office of the Secretary</b>		Services for the Deaf and the Hard of Hearing
<b>Privacy and Security</b>		Services for the Blind
<b>State Operated Healthcare Facilities</b>		

**\*Internal Business Associate:** A NCDHHS Division or Office or portion of a NCDHHS Division or Office that performs certain functions, activities or services for, or on behalf of a DHHS health plan, covered health care provider, or health care clearinghouse involving the use, creation, or disclosure of individually identifiable health information.

*The information contained in this document reflects NCDHHS Privacy and Security Office staff's views and interpretations of HIPAA and its accompanying regulations, as published in the Federal Register as of the release date of this document. If you have any questions about this document, please notify the NCDHHS Privacy and Security Office at [NCDHHS.PSO.Policy@dhhs.nc.gov](mailto:NCDHHS.PSO.Policy@dhhs.nc.gov).*