



To: Honorable Members of the Board of Supervisors

From: Carmen Chu, City Administrator

Re: Report Designating Departments as Health Care Components Under the Health Insurance Portability and Accountability Act (HIPAA) and Administrative Code Chapter 22H

Date: September 8, 2025

Honorable Members of the Board of Supervisors,

The Health Insurance Portability and Accountability Act of 1996, commonly known as “HIPAA,” is a federal law that establishes national standards for protecting sensitive patient health information. Chapter 22H of the San Francisco Administrative Code requires that every three years, the City Administrator, in consultation with the City Attorney, review the functions performed by City departments and divisions and issue a report that identifies entities subject to HIPAA data protections. Below please find the current report, which designates three newly identified departments and continues the designation of previously identified departments.

Background

In March 2020, the City and County of San Francisco -- as a single legal entity that engages in functions covered by HIPAA such as performing functions as a health care provider and health plan, and also engages in non-HIPAA-covered functions -- was designated as a HIPAA “Hybrid Entity” after the enactment of Administrative Code Chapter 22H. This Hybrid Entity designation creates a distinction among City departments so that HIPAA and its implementing regulations apply only to those divisions that are designated as health care components, and do not apply to the remainder of the entity.

Under federal law, a “Health Care Component” performs services or functions that meet the definition of a “Covered Entity” or “Business Associate”. A “Covered Entity” includes a health care provider or health plan that transmits any health information in electronic form in connection with a covered transaction. A “Business Associate” is an individual or entity that performs functions or activities on behalf of a covered entity that involve the use or disclosure of protected health information, such as billing, data analyses, or legal representation.

Designated Covered Entities and Business Associates

In 2021, the Board of Supervisors designated the Department of Public Health, Fire Department, and Health Service System as Covered Entities, and the City Attorney, Treasurer-Tax Collector, and Department of Technology as Business Associates after accepting the City Administrator’s

initial report. The report was based on a citywide survey of information collected about departments which was subsequently reviewed by an independent consultant retained by the City Attorney's Office.

In early 2025, the City Administrator's Office conducted a follow-up citywide survey of the functions performed by City departments. After reviewing the information collected, assessing the services and functions against the HIPAA rules and regulations, and following up with various City departments, the City Administrator's Office, in consultation with the City Attorney's Office, has identified the Department of Homelessness and Supportive Housing, the Controller's Office and DataSF (a division under the Office of City Administrator) as departments that meet the definition of a Business Associate.

The City Administrator has also identified the Department of Public Health, Fire Department, and Health Service System as departments that continue to meet the definition of a Covered Entity, and the City Attorney, Treasurer-Tax Collector, and Department of Technology as departments that continue to meet the definition of a Business Associate.

Therefore, our department is submitting a new resolution for the Board of Supervisor to accept this report, to designate three newly identified departments, and to continue the designation of the previously identified departments.

Departments designated through this process are expected to establish a HIPAA compliance policy, subject to review by the City Attorney and approval by the City Administrator. Departments are also expected to establish and implement practices and safeguards that comply with all the standards and obligations under HIPAA, which are applicable to their respective designation as a Covered Entity or Business Associate.

Recommendation

Attached to this report is a resolution for consideration by the Board of Supervisors to accept the report and to designate three newly identified City departments – the Department of Homelessness and Supportive Housing, the Controller's Office and DataSF – as Business Associates, and to continue the previously designated City departments subject to HIPAA standards and obligations for protection of sensitive patient health information.