File No.	250921	Committee Item No.	1
		Board Item No.	

# **COMMITTEE/BOARD OF SUPERVISORS**

AGENDA PACKET CONTENTS LIST

	Public Safety and Ngbh Services Pervisors Meeting:	Date: Date:	October 9, 2025
	d Motion Resolution Ordinance Legislative Digest Budget and Legislative Analyst Re Youth Commission Report	port	
	Introduction Form Department/Agency Cover Letter a MOU Grant Information Form Grant Budget Subcontract Budget Contract / DRAFT Mills Act Agreen Form 126 – Ethics Commission Award Letter Application Public Correspondence		Report
OTHER	HIPAA Health Components Rpt 090 ADM Cover Memo 090825	0825	
Prepared by: Prepared by: Prepared by:	Monique Crayton Da Da Da	te:	ctober 3, 2025

FILE NO. 250921 RESOLUTION NO.

1	[Designating Various Departments as Health Care Components of the City and County of San Francisco - Hybrid Entity Under Health Insurance Portability and Accountability Act]
2	The second secon
3	Resolution accepting the report of the City Administrator and adding the Department of
4	Homelessness and Supportive Housing, the Controller's Office, and DataSF to the
5	previous designation that included the Department of Public Health, Fire Department,
6	Health Service System, City Attorney, Treasurer-Tax Collector and Department of
7	Technology, as Health Care Components under the Health Insurance Portability and
8	Accountability Act of 1996 (HIPAA), pursuant to Administrative Code, Chapter 22H.
9	
10	WHEREAS, Administrative Code, Chapter 22H was enacted on March 13, 2020, and
11	requires the City and County of San Francisco to designate certain City departments as
12	Health Care Components under the Health Insurance Portability and Accountability Act of
13	1996 (HIPAA); and
14	WHEREAS, The City performs certain functions as a health care provider and health
15	plan that make it subject to HIPAA, and also performs many functions that are unrelated to
16	healthcare and are not subject to compliance with HIPAA; and
17	WHEREAS, This structure makes San Francisco a single legal entity that engages in
18	functions covered by HIPAA and also in non-HIPAA-covered functions, known as a Hybrid
19	Entity; and
20	WHEREAS, Section 22H.4 of the Administrative Code requires the City Administrator
21	to not less than three years after the initial report, "issue a report identifying every City
22	department and/or division thereof that would meet the definition of a Covered Entity or
23	Business Associate if it were a separate legal entityin consultation with the City Attorney;
24	based on a review of the functions performed by City departments and divisions thereof;" and
25	WHEREAS, Section 22H.4(c) states that upon issuing such report, the City

1	Administrator shall submit it to the Board of Supervisors, accompanied by a proposed
2	resolution to accept the report and to designate as Health Care Components the City
3	departments and/or divisions thereof that would meet the definition of a Covered Entity or
4	Business Associate if they were separate legal entities; and
5	WHEREAS, The last report (on file with the Clerk of the Board in File No. 210343)
6	identified the Department of Public Health, Fire Department, and Health Service System as
7	meeting the definition of a Covered Entity if they were a separate legal entity, but only to the
8	extent they perform covered functions, and the City Attorney, Treasurer-Tax Collector, and
9	Department of Technology as meeting the definition of a Business Associate if they were a
10	separate legal entity, but only to the extent they perform covered functions; and
11	WHEREAS, This report further identifies the Department of Homelessness and
12	Supportive Housing, the Controller's Office, and DataSF (a division under the Office of the
13	City Administrator) as meeting the definition of a Business Associate if they were a separate
14	legal entity; now, therefore, be it
15	RESOLVED, That the Board of Supervisors accepts the report of the City Administrator
16	that determines the Department of Public Health, Fire Department and Health Service
17	System continue to meet the definition of a Covered Entity if they were a separate legal
18	entity, but only to the extent that they perform covered functions; and, be it
19	FURTHER RESOLVED, That the Board of Supervisors accepts the report of the City
20	Administrator that determines the City Attorney, Treasurer-Tax Collector and Department of
21	Technology, continue to meet the definition of a Business Associate if they were a separate

FURTHER RESOLVED, That the Board of Supervisors accepts the report of the City Administrator that determines the Department of Homelessness and Supportive Housing, the Controller's Office, and DataSF would meet the definition of a Business Associate if they

legal entity, but only to the extent that they perform covered functions; and, be it

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1	were a separate legal entity, but only to the extent that they perform covered functions; and,
2	be it
3	FURTHER RESOLVED, That the Board of Supervisors designates the Department of
4	Public Health, Fire Department, Health Service System, City Attorney, Treasurer-Tax
5	Collector, Department of Technology, the Department of Homelessness and Supportive
6	Housing, the Controller's Office, and DataSF as Health Care Components, but only to the
7	extent they perform covered functions; and, be it
8	FURTHER RESOLVED, That the Board of Supervisors requests that the designated
9	departments develop and implement policies and procedures relevant to their specific HIPAA
10	compliance responsibilities, subject to review by the City Attorney and approval by the City
11	Administrator.
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## City & County of San Francisco Daniel Lurie, Mayor



## Office of the City Administrator Carmen Chu, City Administrator

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.

# City & County of San Francisco Daniel Lurie, Mayor



# Office of the City Administrator Carmen Chu, City Administrator

#### **MEMORANDUM**

To: Clerk of the Board of Supervisors

From: Sophie Hayward

Director of Legislation and Public Affairs, Office of the City Administrator

Re: Legislative Introduction

Date: September 8, 2025

Dear Madam Clerk,

Attached please find a resolution for consideration by the Board of Supervisors to accept a report that identifies nine City departments subject to data protections, also known as "Health Care Components," under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

We would like to introduce this item on behalf of the City Administrator at the September 16, 2025 Board meeting.

The following documents are included:

- Cover Letter
- A Report that identifies nine City departments as health care components, including three newly identified departments and six existing designated departments.
- Draft Resolution for Board of Supervisors to accept the report and to designate nine City departments as health care components.

Thank you very much. Please contact Vivian Po, Director of Central Office and Engagement, at vivian.po@sfgov.org with any questions.