

may make searching for a record easier and prevent delay.

#### RECORD ACCESS PROCEDURE:

For purpose of access, use the same procedures outlined in Notification Procedures above. Requestors should also specify the record contents being sought. (These procedures are in accordance with department regulation 45 CFR 5b.5(a)(2)).

#### CONTESTING RECORDS PROCEDURES:

The subject individual should contact the system manager named above, and reasonably identify the records and specify the information to be contested. State the corrective action sought and the reasons for the correction with supporting justification. (These Procedures are in accordance with Department regulation 45 CFR 5b.7).

#### RECORDS SOURCE CATEGORIES:

CMS obtains the identifying information contained in this system from state Medicaid agencies, or Medicaid Management Information Systems maintained by the individual states, and information contained on CMS Form 2082.

#### SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

None.

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## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Centers for Medicare & Medicaid Services

#### Privacy Act of 1974; Report of a Modified or Altered System of Records

**AGENCY:** Department of Health and Human Services (HHS), Centers for Medicare & Medicaid Services (CMS).

**ACTION:** Notice of a Modified or Altered System of Records (SOR).

**SUMMARY:** In accordance with the requirements of the Privacy Act of 1974, we are proposing to modify or alter an existing system of records titled "Links of Social Security Administration (SSA) and Health Care Financing Administration (HCFA) Data (LOD), System No. 09-70-0069, established at 65 *Federal Register* 50544 (August 18, 2000). The system name reflects the former name of the Agency—the Health Care Financing Administration. For this reason, we propose to change the name of the system to read: the "Links of Social Security Administration (SSA) and the Centers for Medicare &

Medicaid Services Data (LOD)." We propose to assign a new CMS identification number to this system to simplify the obsolete and confusing numbering system originally designed to identify the Bureau, Office, or Center that maintained information in the Health Care Financing Administration systems of records. The new assigned identifying number for this system should read: System No. 09-70-0512.

We propose to modify existing routine use number 2 that permits disclosure to agency contractors and consultants to include disclosure to CMS grantees who perform a task for the agency. CMS grantees, charged with completing projects or activities that require CMS data to carry out that activity, are classified separate from CMS contractors and/or consultants. The modified routine use will be renumbered as routine use number 1. We will delete routine use number 3 authorizing disclosure to support constituent requests made to a congressional representative. If an authorization for the disclosure has been obtained from the data subject, then no routine use is needed. We propose to broaden the scope of the disclosure provisions of this system by adding a routine use to permit the release of information to another Federal and state agencies to: (1) Allow such agency to comply with Title XI, Part C of the Act; (2) enable such agency to administer a Federal health benefits program, and/or as necessary to enable such agency to fulfill a requirement of a Federal statute or regulation that implements a health benefits program funded in whole or in part with Federal funds; and (3) support data exchanges between the cooperating agencies. The new routine use will be numbered as routine use number 2.

We will broaden the scope of this system by including the section titled "Additional Circumstances Affecting Routine Use Disclosures," that addresses "Protected Health Information (PHI)" and "small cell size." The requirement for compliance with HHS regulation "Standards for Privacy of Individually Identifiable Health Information" apply whenever the system collects or maintains PHI. This system may contain PHI. In addition, our policy to prohibit release if there is a possibility that an individual can be identified through "small cell size" will apply to the data disclosed from this system.

We are modifying the language in the remaining routine uses to provide a proper explanation as to the need for the routine use and to provide clarity to CMS's intention to disclose individual-

specific information contained in this system. The routine uses will then be prioritized and reordered according to their usage. We will also take the opportunity to update any sections of the system that were affected by the recent reorganization or because of the impact of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) (Pub. L. 108-173) provisions and to update language in the administrative sections to correspond with language used in other CMS SORs.

The primary purpose of the LOD is to collect and maintain information that will be used to conduct research, perform policy analysis, and improve program management for populations served by both SSA and CMS. Information maintained in this system will also be disclosed to: (1) Support regulatory, reimbursement, and policy functions performed within the Agency or by a contractor, consultant or grantee; (2) assist another Federal or state agency, agency of a state government, an agency established by state law, or its fiscal agent; (3) facilitate research on the quality and effectiveness of care provided, as well as epidemiological projects; and (4) support litigation involving the Agency. We have provided background information about the new system in the "Supplementary Information" section below. Although the Privacy Act requires only that CMS provide an opportunity for interested persons to comment on the proposed routine uses, CMS invites comments on all portions of this notice. See "Effective Dates" section for comment period.

**Effective Dates:** CMS filed a modified or altered system report with the Chair of the House Committee on Government Reform and Oversight, the Chair of the Senate Committee on Homeland Security & Governmental Affairs, and the Administrator, Office of Information and Regulatory Affairs, Office of Management and Budget (OMB) on *February 26, 2008*. To ensure that all parties have adequate time in which to comment, the modified system, including routine uses, will become effective 30 days from the publication of the notice, or 40 days from the date it was submitted to OMB and Congress, whichever is later, unless CMS receives comments that require alterations to this notice.

**ADDRESSES:** The public should address comments to: CMS Privacy Officer, Division of Privacy Compliance, Enterprise Architecture and Strategy Group, Office of Information Services, CMS, Room N2-04-27, 7500 Security Boulevard, Baltimore, Maryland 21244-

1850. Comments received will be available for review at this location, by appointment, during regular business hours, Monday through Friday from 9 a.m.–3 p.m., Eastern Time zone.

**FOR FURTHER INFORMATION CONTACT:**

Dave Baugh, Senior Technical Advisor, Research and Evaluation Group, Office of Research, Development and Information, CMS, Mail Stop Room C3–20–17, 7500 Security Boulevard, Baltimore, Maryland 21244–1850. He can be reached by telephone at 410–786–7716, or via e-mail at [David.Baugh@cms.hhs.gov](mailto:David.Baugh@cms.hhs.gov).

**SUPPLEMENTARY INFORMATION:**

**I. Description of the Modified or Altered System of Records**

**A. Statutory and Regulatory Basis for SOR**

Authority for maintenance of this system is given under Section 1875(a) [42 U.S.C. 1395II(a)] and 1110 of the Social Security Act [42 U.S.C. 1310].

**B. Collection and Maintenance of Data in the System**

Information maintained in this system contains samples of the United States population served by programs administered by CMS and SSA. The system includes the following information for each: Name, social security number, Medicaid identification number, health insurance claim number, eligibility for SSA and CMS programs, and benefit record information.

**II. Agency Policies, Procedures, and Restrictions on the Routine Use**

**A. Agency Policies, Procedures, and Restrictions on the Routine Use**

The Privacy Act permits us to disclose information without an individual's consent if the information is to be used for a purpose that is compatible with the purpose(s) for which the information was collected. Any such disclosure of data is known as a "routine use." The government will only release LOD information that can be associated with an individual as provided for under "Section III. Proposed Routine Use Disclosures of Data in the System." Both individually identifiable and non-individually-identifiable data may be disclosed under a routine use.

We will only disclose the minimum personal data necessary to achieve the purpose of LOD. CMS has the following policies and procedures concerning disclosures of information that will be maintained in the system. Disclosure of information from the system will be approved only to the extent necessary to

accomplish the purpose of the disclosure and only after CMS:

1. Determines that the use or disclosure is consistent with the reason that the data is being collected; e.g., to collect and maintain information that will be used to conduct research, perform policy analysis, and improve program management for populations served by both SSA and CMS.
2. Determines that:
  - a. The purpose for which the disclosure is to be made can only be accomplished if the record is provided in individually identifiable form;
  - b. The purpose for which the disclosure is to be made is of sufficient importance to warrant the effect and/or risk on the privacy of the individual that additional exposure of the record might bring; and
  - c. There is a strong probability that the proposed use of the data would in fact accomplish the stated purpose(s).
3. Requires the information recipient to:
  - a. Establish administrative, technical, and physical safeguards to prevent unauthorized use or disclosure of the record;
  - b. Remove or destroy at the earliest time all individually-identifiable information; and
  - c. Agree to not use or disclose the information for any purpose other than the stated purpose under which the information was disclosed.
4. Determines that the data are valid and reliable.

**III. Proposed Routine Use Disclosures of Data in the System**

A. The Privacy Act allows us to disclose information without an individual's consent if the information is to be used for a purpose that is compatible with the purpose(s) for which the information was collected. Any such compatible use of data is known as a "routine use." The proposed routine uses in this system meet the compatibility requirement of the Privacy Act. We are proposing to establish the following routine use disclosures of information maintained in the system:

1. To support Agency contractors, consultants, or grantees that have been contracted by the Agency to assist in accomplishment of a CMS function relating to the purposes for this system and who need access to the records in order to assist CMS.

We contemplate disclosing information under this routine use only in situations in which CMS may enter into a contractual or similar agreement with a third party to assist in accomplishing a CMS function relating to purposes for this system.

CMS occasionally contracts out certain of its functions when doing so would contribute to effective and efficient operations. CMS must be able to give a contractor, consultant, or grantee whatever information is necessary for the contractor, consultant, or grantee to fulfill its duties. In these situations, safeguards are provided in the contract prohibiting the contractor, consultant, or grantee from using or disclosing the information for any purpose other than that described in the contract and requires the contractor, consultant, or grantee to return or destroy all information at the completion of the contract.

2. To assist another Federal or state agency, agency of a state government, an agency established by state law, or its fiscal agent to:

- a. Allow such agency to comply with Title XI, Part C of the Act,
- b. Enable such agency to administer a Federal health benefits program, or as necessary to enable such agency to fulfill a requirement of a Federal statute or regulation that implements a health benefits program funded in whole or in part with Federal funds, and/or
- c. Support data exchanges between the cooperating agencies.

In addition, other state agencies in their administration of a Federal health program may require LOD information for the purposes of determining, evaluating and/or assessing cost, effectiveness, and /or the quality of health care services provided in the state.

Disclosure under this routine use shall be used by state Medicaid agencies pursuant to agreements with the HHS for administration of Titles IV, XVIII, and XIX of the Act, and for the administration of the Medicaid program.

3. To support an individual or organization for a research, evaluation, or epidemiological project related to the prevention of disease or disability or the restoration or maintenance of health.

LOD data may be able to provide for research, evaluation, and epidemiological projects a broader longitudinal national perspective of the status of health care patients. CMS anticipates that many researchers will have legitimate requests to use these data in projects that could ultimately improve the care provided to patients and the policy that governs the care.

4. To assist the Department of Justice (DOJ), court or adjudicatory body when:

- a. The Agency or any component thereof, or
- b. Any employee of the Agency in his or her official capacity, or
- c. Any employee of the Agency in his or her individual capacity where the

DOJ has agreed to represent the employee, or

d. The United States Government is a party to litigation or has an interest in such litigation, and by careful review, CMS determines that the records are both relevant and necessary to the litigation and that the use of such records by the DOJ, court or adjudicatory body is compatible with the purpose for which the agency collected the records.

Whenever CMS is involved in litigation, or occasionally when another party is involved in litigation and CMS's policies or operations could be affected by the outcome of the litigation, CMS would be able to disclose information to the DOJ, court, or adjudicatory body involved.

#### *B. Additional Provisions Affecting Routine Use Disclosures*

To the extent this system contains Protected Health Information (PHI) as defined by HHS regulation "Standards for Privacy of Individually Identifiable Health Information" (45 CFR parts 160 and 164, subparts A and E) 65 FR 82462 (12-28-00). Disclosures of such PHI that are otherwise authorized by these routine uses may only be made if, and as, permitted or required by the "Standards for Privacy of Individually Identifiable Health Information." (See 45 CFR 164-512 (a)(1)).

In addition, our policy will be to prohibit release even of data not directly identifiable, except pursuant to one of the routine uses or if required by law, if we determine there is a possibility that an individual can be identified through implicit deduction based on small cell sizes (instances where the patient population is so small that individuals could, because of the small size, use this information to deduce the identity of the beneficiary).

#### **IV. Safeguards**

CMS has safeguards in place for authorized users and monitors such users to ensure against unauthorized use. Personnel having access to the system have been trained in the Privacy Act and information security requirements. Employees who maintain records in this system are instructed not to release data until the intended recipient agrees to implement appropriate management, operational and technical safeguards sufficient to protect the confidentiality, integrity and availability of the information and information systems and to prevent unauthorized access.

This system will conform to all applicable Federal laws and regulations and Federal, HHS, and CMS policies

and standards as they relate to information security and data privacy. These laws and regulations may apply but are not limited to: the Privacy Act of 1974; the Federal Information Security Management Act of 2002; the Computer Fraud and Abuse Act of 1986; the Health Insurance Portability and Accountability Act of 1996; the E-Government Act of 2002, the Clinger-Cohen Act of 1996; the Medicare Modernization Act of 2003, and the corresponding implementing regulations. OMB Circular A-130, Management of Federal Resources, Appendix III, Security of Federal Automated Information Resources also applies. Federal, HHS, and CMS policies and standards include but are not limited to: All pertinent National Institute of Standards and Technology publications; the HHS Information Systems Program Handbook and the CMS Information Security Handbook.

#### **V. Effects of the Modified System of Records on Individual Rights**

CMS proposes to modify this system in accordance with the principles and requirements of the Privacy Act and will collect, use, and disseminate information only as prescribed therein. Data in this system will be subject to the authorized releases in accordance with the routine uses identified in this system of records.

CMS will take precautionary measures to minimize the risks of unauthorized access to the records and the potential harm to individual privacy or other personal or property rights of patients whose data are maintained in the system. CMS will collect only that information necessary to perform the system's functions. In addition, CMS will make disclosure from the proposed system only with consent of the subject individual, or his/her legal representative, or in accordance with an applicable exception provision of the Privacy Act. CMS, therefore, does not anticipate an unfavorable effect on individual privacy as a result of information relating to individuals.

Dated: February 25, 2008.

**Charlene Frizzera,**

*Chief Operating Officer, Centers for Medicare & Medicaid Services.*

**SYSTEM NO. 09-70-0512**

#### **SYSTEM NAME:**

"Links To Social Security Administration and Centers For Medicare & Medicaid Services Data (LOD)," HHS/CMS/ORDI

#### **SECURITY CLASSIFICATION:**

Level Three Privacy Act Sensitive Data

#### **SYSTEM LOCATION:**

Centers for Medicare & Medicaid Services (CMS) Data Center, 7500 Security Boulevard, North Building, First Floor, Baltimore, Maryland 21244-1850 and at various other locations.

#### **CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:**

The system includes samples of the United States population served by Social Security Administration (SSA) and CMS programs.

#### **CATEGORIES OF RECORDS IN THE SYSTEM:**

The collected information will include, but is not limited to name, social security number (SSN), Medicaid identification number, health insurance claim number (HICN), eligibility for SSA and CMS programs, and benefit record information.

#### **AUTHORITY FOR MAINTENANCE OF THE SYSTEM:**

Authority for maintenance of this system is given under Section 1875(a) [42 U.S.C. 1395II(a)] and 1110 of the Social Security Act [42 U.S.C. 1310].

#### **PURPOSE(S) OF THE SYSTEM:**

The primary purpose of the LOD is to collect and maintain information that will be used to conduct research, perform policy analysis, and improve program management for populations served by both SSA and CMS. Information maintained in this system will also be disclosed to: (1) Support regulatory, reimbursement, and policy functions performed within the Agency or by a contractor, consultant or grantee; (2) assist another Federal or state agency, agency of a state government, an agency established by state law, or its fiscal agent; (3) facilitate research on the quality and effectiveness of care provided, as well as epidemiological projects; and (4) support litigation involving the Agency.

#### **ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OR USERS AND THE PURPOSES OF SUCH USES:**

A. The Privacy Act allows us to disclose information without an individual's consent if the information is to be used for a purpose that is compatible with the purpose(s) for which the information was collected. Any such compatible use of data is known as a "routine use." The proposed routine uses in this system meet the compatibility requirement of the Privacy Act. We are proposing to establish the following routine use disclosures of information maintained in the system:

1. To agency contractors, consultants or grantees, who have been engaged by the agency to assist in the performance of a service related to this collection and who need to have access to the records in order to perform the activity.

2. To assist another Federal or state agency, agency of a state government, an agency established by state law, or its fiscal agent to:

a. Allow such agency to comply with Title XI, Part C of the Act,

b. Enable such agency to administer a Federal health benefits program, or as necessary to enable such agency to fulfill a requirement of a Federal statute or regulation that implements a health benefits program funded in whole or in part with Federal funds, and/or

c. Support data exchanges between the cooperating agencies.

3. To an individual or organization for a research project or in support of an evaluation project related to the prevention of disease, disability, or quality care projects, the restoration or maintenance of health, and payment related projects.

4. To the Department of Justice (DOJ), court or adjudicatory body when:

a. The agency or any component thereof, or

b. Any employee of the agency in his or her official capacity, or

c. Any employee of the agency in his or her individual capacity where the DOJ has agreed to represent the employee, or

d. The United States Government, is a party to litigation or has an interest in such litigation, and, by careful review, CMS determines that the records are both relevant and necessary to the litigation and that the use of such records by the DOJ, court or adjudicatory body is compatible with the purpose for which the agency collected the records.

#### *B. Additional Provisions Affecting Routine Use Disclosures*

To the extent this system contains Protected Health Information (PHI) as defined by HHS regulation "Standards for Privacy of Individually Identifiable Health Information" (45 CFR Parts 160 and 164, Subparts A and E) 65 FR 82462 (12-28-00). Disclosures of such PHI that are otherwise authorized by these routine uses may only be made if, and as, permitted or required by the "Standards for Privacy of Individually Identifiable Health Information." (See 45 CFR 164-512 (a) (1).)

In addition, our policy will be to prohibit release even of data not directly identifiable, except pursuant to one of the routine uses or if required by law, if we determine there is a possibility that an individual can be identified

through implicit deduction based on small cell sizes (instances where the patient population is so small that individuals could, because of the small size, use this information to deduce the identity of the beneficiary).

#### **POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:**

##### **STORAGE:**

All records are stored on electronic media.

##### **RETRIEVABILITY:**

The collected data are retrieved by an individual identifier; e.g., beneficiary name, health insurance claim number, State assigned personal identifier, or social security number.

##### **SAFEGUARDS:**

CMS has safeguards in place for authorized users and monitors such users to ensure against unauthorized use. Personnel having access to the system have been trained in the Privacy Act and information security requirements. Employees who maintain records in this system are instructed not to release data until the intended recipient agrees to implement appropriate management, operational and technical safeguards sufficient to protect the confidentiality, integrity and availability of the information and information systems and to prevent unauthorized access.

This system will conform to all applicable Federal laws and regulations and Federal, HHS, and CMS policies and standards as they relate to information security and data privacy. These laws and regulations may apply but are not limited to: The Privacy Act of 1974; the Federal Information Security Management Act of 2002; the Computer Fraud and Abuse Act of 1986; the Health Insurance Portability and Accountability Act of 1996; the E-Government Act of 2002; the Clinger-Cohen Act of 1996; the Medicare Modernization Act of 2003; and the corresponding implementing regulations. OMB Circular A-130, Management of Federal Resources, Appendix III, Security of Federal Automated Information Resources also applies. Federal, HHS, and CMS policies and standards include but are not limited to: All pertinent National Institute of Standards and Technology publications; the HHS Information Systems Program Handbook and the CMS Information Security Handbook.

##### **RETENTION AND DISPOSAL:**

CMS will retain information for a total period not to exceed 25 years. All

claims-related records are encompassed by the document preservation order and will be retained until notification is received from DOJ.

##### **SYSTEM MANAGER AND ADDRESS:**

Director, Information and Methods Group, Office of Research, Development & Information, Mail Stop C3-16-07, Centers for Medicare & Medicaid Services, 7500 Security Boulevard, Baltimore, MD 21244-1849.

##### **NOTIFICATION PROCEDURE:**

For purpose of access, the subject individual should write to the system manager who will require the system name, employee identification number, tax identification number, national provider number, and for verification purposes, the subject individual's name (woman's maiden name, if applicable), HICN, and/or SSN (furnishing the SSN is voluntary, but it may make searching for a record easier and prevent delay).

##### **RECORD ACCESS PROCEDURE:**

For purpose of access, use the same procedures outlined in Notification Procedures above. Requestors should also reasonably specify the record contents being sought. (These procedures are in accordance with Department regulation 45 CFR 5b.5(a)(2).)

##### **CONTESTING RECORD PROCEDURES:**

The subject individual should contact the system manager named above, and reasonably identify the record and specify the information to be contested. State the corrective action sought and the reasons for the correction with supporting justification. (These procedures are in accordance with Department regulation 45 CFR 5b.7.)

##### **RECORDS SOURCE CATEGORIES:**

Sources of information contained in this records system include data collected from SSA systems of records, e.g., Supplemental Security Record (09-60-0103), Master Beneficiary Record (09-60-0090), Disability Determination Files (09-60-0044), and Social Security Account Number Identification File (09-60-0058) and LOD systems of records, e.g., Medicaid Statistical Information System (09-70-0541), Current Beneficiary Survey (09-70-0519), Common Working Files (09-70-0526), National Claims History Files (09-70-0558) and Enrollment Data Base (09-70-0502).

##### **SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:**

None.

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