

# PROCEEDINGS OF THE COUNTY BOARD

State of Minnesota }  
County of Kanabec }  
Office of the County Coordinator

**March 16, 2005**

The Kanabec County Board of Commissioners met at 9:00am on Wednesday, March 16, 2005 pursuant to adjournment with the following Board Members present: Stan Cooper, Kathi Ellis, Jerry Nelson, Les Nielsen, and Dennis McNally.

The Chairperson led the assembly in the Pledge of Allegiance.

Action #1 - It was moved by Kathi Ellis, seconded by Dennis McNally, and carried unanimously to approve the meeting agenda and optional agenda with the addition of Meth Ordinance update.

Action #2 - It was moved by Dennis McNally, seconded by Les Nielsen, and carried unanimously to approve the March 9, 2005 minutes of the Kanabec County Board of Commissioners as corrected: Action #3 - Show Bauerly Bros as paid to.

Action #3 - It was moved by Kathi Ellis, seconded by Les Nielsen, and carried unanimously to recess the board meeting at 9:04am to a time immediately following the Human Service Board.

---

The Kanabec County **Human Service Board** met at **9:05am** on Wednesday, March 16, 2005 pursuant to adjournment with the following Board Members present: Kathi Ellis, Stan Cooper, Jerry Nelson, Les Nielsen, and Dennis McNally. Phil Peterson, Family Service Agency Director, presented the Human Services agenda. Items discussed included the budget, staffing, finances and other agency business.

Action #HS4 - It was moved by Les Nielsen, seconded by Jerry Nelson, and carried unanimously to approve the agenda of the Human Service Board with the addition of equipment for child protection.

Action #HS5 - It was moved by Les Nielsen, seconded by Dennis McNally, and carried unanimously to approve the following resolution:

## *Resolution HS5 - 03/16/05*

**WHEREAS** the classification of Case Aide A and Financial Worker are on the same pay level, and

**WHEREAS** combining the two classes into the Financial Worker class would simplify work assignments and provide greater efficiency without increasing staff;

**BE IT RESOLVED** to eliminate the position of Case Aide A within the Financial Unit, and

**BE IT FURTHER RESOLVED** to transfer any existing Case Aide A employee(s) within the Financial Unit into a Financial Worker classification as a lateral change without affecting pay or benefits.

---

*Action #HS6* - It was moved by Jerry Nelson, seconded by Kathi Ellis, and carried unanimously to approve payment of 142 claims totaling \$136,499.23 on Welfare Funds.

*Action #HS7* - It was moved by Kathi Ellis, seconded by Dennis McNally, and carried unanimously to adjourn the Human Service Board at 9:47am to meet again in regular session on Wednesday, April 20, 2005 at 9:05am.

---

The Kanabec County Board of Commissioners reconvened at 9:47am.

**9:47am** - Wade Weber with the Knife Lake Improvement District met with the County Board to discuss matters concerning the district.

Weber provided a 2004 annual report for the Knife Lake Improvement District.

*Action #8* - It was moved by Kathi Ellis, seconded by Les Nielsen, and carried unanimously to approve the following resolution:

***Resolution 8 - 03/16/05***

**WHEREAS**, earlier action by the Kanabec County Board has provided for the establishment of Knife Lake Improvement District (April 13,1977) and a board of directors (August 24,1977) pursuant to MN Statute 378.42, and

**WHEREAS** MN Chapter 378 is now, since 1990, superceded by Chapter 103B, and

**WHEREAS**, State Statute 103 B. 551-581 now describes the responsibilities and operation of such a lake improvement district, and

**WHEREAS** the Kanabec County board wishes to provide directions consistent with current State statute 103B, and

**WHEREAS** 103B.551Subd. 1 specifically outlines the procedure for election of lake improvement district board members;

**THEREFORE BE IT RESOLVED** that the Kanabec County Board of Commissioners does hereby affirm that the Knife Lake Improvement District shall operate under current MN statute and any future amendments by the state legislature regarding the operation of Lake Improvement Districts, and

**BE IT FURTHER RESOLVED** that pursuant to 103B.551Subd. 1 Knife Lake Improvement District will have 7 board members elected to serve 3 year terms on a staggered basis as follows:

Bob Herder	2002 - 2005
Bob Johnson	2002 - 2005
Wade Weber	2002 - 2005
Kurt Siedel	2003 - 2006
Sharon Tufenk	2003 - 2006
Ernie Rud	2004 - 2007
Don Schmeltzer	2004 - 2007

and

**BE IT FURTHER RESOLVED** that pursuant to 103B.571 Subd.3b election of board members to expired terms will occur at the annual meeting and that all district property owners will be afforded an opportunity to vote either in person or by proxy, and

**BE IT FURTHER RESOLVED** that a slate of candidates will be provided to the membership with the notice of the annual meeting and eligible members may request an absentee ballot by contacting the secretary of the KLID, and

**BE FURTHER IT RESOLVED** that vacancies of unexpired terms shall be filled by appointment of the board of directors.

**BE FURTHER IT RESOLVED** that pursuant to 103B.571 Subd.4 the Board of Directors of KLID will file an annual report to the Kanabec County Board and other required agencies within four months of their annual meeting.

---

*Action #9* - It was moved by Les Nielsen, seconded by Jerry Nelson, and carried unanimously to recess the board meeting at 10:14am to a time immediately following the Public Health Board.

---

The Kanabec County **Public Health Board** met at **10:14am** on Wednesday, March 16, 2005 pursuant to adjournment with the following Board Members present: Kathi Ellis, Stan Cooper, Jerry Nelson, Les Nielsen, and Dennis McNally. Wendy Thompson, Public Health Director, presented the Health Board agenda. Items discussed included agency finances, contracts, staffing and other agency business.

Action #PH13 - It was moved by Les Nielsen, seconded by Kathi Ellis, and carried unanimously to approve the Public Health Board Agenda with the following additions:

- Appointments to the CHS Board
- Coordinated Senior Care Grant

Action #PH14 - It was moved by Dennis McNally, seconded by Les Nielsen, and carried unanimously to approve the following resolution:

### *Resolution PH14 - 03/16/05*

**WHEREAS** Kanabec County Public Health has contracts with insurance companies and similar agencies wherein Kanabec County is the provider of health services, and

**WHEREAS** it is important to maintain such contracts to insure reimbursements to Kanabec County, and

**WHEREAS** the timing of renewals does not always coincide with Public Health Board meetings;

**BE IT RESOLVED** to authorize the Public Health Service Director to sign renewal contracts in behalf of the Kanabec County Board of Commissioners for insurance companies and similar agencies provided the contracts have been reviewed by the County Attorney and the Minnesota Counties Insurance Trust, and

**BE IT FURTHER RESOLVED** that the Director will bring such agreements to the board for confirmation within one month of execution.

---

Action #PH15 - It was moved by Dennis McNally, seconded by Les Nielsen, and carried unanimously to approve the following resolution:

### *Resolution #PH15 - 03/16/05*

**BE IT RESOLVED** to reappoint Dr. Bostrom to the Kanabec/Pine Community Health Service Board for a three-year term commencing immediately and expiring January 7, 2008.

---

Action #PH16 - It was moved by Les Nielsen, seconded by Kathi Ellis, and carried unanimously to approve the following resolution:

### *Resolution #PH16 - 03/16/05*

**BE IT RESOLVED** to appoint Deb Klapmeier to the Community Health Service

Advisory Committee for a three-year term commencing immediately and expiring January 7, 2008.

---

Action #PH17 - It was moved by Kathi Ellis, seconded by Jerry Nelson, and carried unanimously to support a Senior Care Program grant application prepared by East Central Senior Resource Center.

Action #PH18 – It was moved by Les Nielsen, seconded by Dennis McNally, and carried unanimously to adjourn the Public Health Board at 11:03am to meet again in regular session on Wednesday, April 20, 2005 at 10:05am.

---

The meeting of the Kanabec County Board of Commissioners resumed.

**11:03am** - Jinx Greski met with the County Board to discuss matters concerning charitable gambling.

Action #19 - It was moved by Dennis McNally, seconded by Les Nielsen, and carried unanimously to approve the following resolution:

***Resolution #19 - 03/16/05***

**WHEREAS** the Kanabec County Board of Commissioners has been presented with a request for lawful gambling within Kanabec County, and

**WHEREAS** the application was complete, included all necessary documentation, appears in accordance with County Policies and the facility owners are in good standing with the County;

**BE IT RESOLVED** to approve the Premises Permit Application for MAYRA for charitable gambling held at the Fish Lake Resort, 674 Fish Lake Dr., Mora, MN 55051.

---

Action #20 - It was moved by Kathi Ellis, seconded by Jerry Nelson, and carried unanimously to approve the following resolution:

***Resolution #20 - 03/16/05***

**WHEREAS** the Kanabec County Board of Commissioners has been presented with a request for lawful gambling within Kanabec County, and

**WHEREAS** the application was complete, included all necessary documentation, appears in accordance with County Policies and the facility owners are in good standing with the County;

**BE IT RESOLVED** to approve the Premises Permit Application for MAYRA for charitable gambling held at Mustang Lanes, 1865 Frontage Road, Mora, MN 55051.

---

**11:06am** - The Chairperson then called for public comment. Those who responded included:

Bob Swetz	Asked procedural questions about the Knife Lake Improvement District levy.
Don Schmeltzer	Fill is being hauled on land near his property. Concerned about run off.
Bob Mayo	Concerns about fill is being hauled on land near his property.

**11:26am** - The Chairperson closed public comment.

**11:26am** - Chief Deputy Sheriff Robert Jensen met with the County Board to discuss matters concerning Boat & Water Funding.

Action #21 - It was moved by Les Nielsen, seconded by Jerry Nelson, and carried unanimously to approve the following resolution:

### ***Resolution #21 - 03/16/05***

**BE IT RESOLVED** to approve and authorize the Chairperson to sign an Annual County Boat & Water Safety Grant Agreement for the state Fiscal Year ending June 30, 2006.

---

**11:37am** - Bob Voss and Pat Oman with East Central Regional Development Commission met with the County Board to discuss matters concerning economic development. No action was taken at this time.

**12:01pm** - The board took a 7-minute break.

Action #22 - It was moved by Kathi Ellis, seconded by Jerry Nelson, and carried unanimously to approve the following resolution:

### ***Resolution #22 - 03/16/05***

**WHEREAS** the board has considered a liquor ordinance concerning retail license applications and requirements relating thereto, including hours of sale;

**BE IT RESOLVED** to hold a Public Hearing at 7:00pm on Wednesday, April 27, 2005 at a regular board meeting of the Kanabec County Board of Commissioners for the purpose of receiving public input on a proposed Liquor Ordinance.

---

Each commissioner gave a report of the activities of the Boards and Committees in which they participate.

HIPAA Privacy Officer Peterson gave the board an update on the activities of the HIPAA Committee.

---

Action #23 - It was moved by Les Nielsen, seconded by Kathi Ellis, and carried unanimously to approve the following policy:

Policy: A-106  
**PART B**  
Approved: March 16, 2005  
Effective: March 16, 2005  
Supersedes (eff): June 18, 2003

## HIPAA

### Health Insurance Portability & Accountability Act

#### PERMISSABLE USES AND DISCLOSURES OF PHI - GENERAL POLICY

##### I. POLICY STATEMENT

Under the Federal HIPAA regulations Kanabec County employees are not required to obtain an individual's authorization or consent prior to using, disclosing, or requesting Protected Health Information (PHI) for purposes of treatment, payment, or health care operations or as permitted by law. For all other instances Kanabec County employees secure a signed authorization from the individual, or their personal representative, prior to using or disclosing protected health information.

This policy and procedure outlines in general terms permissible uses and disclosures of PHI. All workforce members of Kanabec County should refer to the specific policies and procedures regarding the subject when an authorization for the release of PHI is necessary.

All workforce members of Kanabec County must protect the privacy of health information and comply with all federal and state laws established for such protection. This policy and the ensuing procedures establish the basic requirements for the use and disclosure of protected health information, when an authorization is not required. Additionally, this policy is subject to the Minimum Necessary Rule.

## II. SCOPE

The policy and procedure stated below specifically describes the processes to be followed by all Kanabec County Covered Entities with respect to the disclosure of Protected Health Information (PHI) for the purposes of treatment, payment, health care operations, or when required by law.

This policy further outlines the required elements of a valid authorization where required. The procedure will outline how to determine whether the authorization is valid for the appropriate use and disclosure.

## III. DEFINITIONS

**Disclosure** – Means the release, transfer, provision of access to, or divulging in any other manner of information outside the entity holding the information.

**Health Care Operations** – Means any of the following activities of the covered entity to the extent that the activities are related to covered functions: (1) Conducting quality assessments and improvement activities, including outcomes evaluation and development of clinical guidelines, provided that the obtaining of generalizable knowledge is not the primary purpose of any studies resulting from such activities; population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, contacting of health care providers and patients with information about treatment alternatives; and related functions that do not include treatment; (2) Reviewing the competence or qualifications of health care professionals, evaluating practitioner and provider performance, health plan performance, conducting training programs in which students, trainees, or practitioners in areas of health care learn under supervision to practice or improve their skills as health care providers, training of non-health care professionals, accreditation, certification, licensing, or credentialing activities; (3) Underwriting, premium rating and other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits, and ceding, securing, or placing a contract for reinsurance of risk relating to claims for health care (*including stop-loss insurance and excess of loss insurance*), provided that the requirements of §164514(g) are met, if applicable; (4) Conducting or arranging for medical review, legal services, and auditing functions, including fraud and abuse detection and compliance programs; (5) Business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating the entity, including formulary development and administration development or improvement of methods of payment or coverage policies; and (6) Business management and general administrative activities of the entity, including but not limited to (i) Management activities relating to implementation of and compliance with the requirements of this subchapter; (ii) Customer service, including the provision of data analyses for policy holders, plan sponsors, or other customers, provided that protected health information is not disclosed to such policy holder, plan sponsor, or customer, (iii) Resolution of internal grievances; (iv) The sale, transfer, merger or consolidation of all or part of the covered entity with another covered entity, or an entity that following such activity will become a covered entity and due diligence related to such activity; and (v) Consistent with the applicable requirement of §164.514, creating de-identified health information or a limited data set, and fundraising for the benefit of the covered entity.

**Individual** - The person who is the subject of the protected health information.

**Personal Representative** - A person authorized under state or other law to act on behalf of an individual in making decisions related to health care. This includes a court-appointed guardian and a person with a power of attorney but may also include other persons such as the parents of an unemancipated minor.

**Payment** – (1) The activities undertaken by: (i) A health plan to obtain premiums or to determine or fulfill its responsibility for coverage and provision of benefits under the health plan; or (ii) A health care provider or health plan to obtain or provide reimbursement for the provision of health care; and (2) The activities in paragraph (1) of this definition relate to the individual to whom health care is provided and include, but are not limited to: (i) Determinations of eligibility or coverage (including coordination of benefits or the determination of cost sharing amounts), and adjudication or subrogation of health benefit claims; (ii) Risk adjusting amounts due based on enrollee health status and demographic characteristics; (iii) Billing, claims management, collection activities, obtaining insurance and excess of loss insurance), and related health care data processing; (iv) Review of health care services with respect to medical necessity, coverage under a health plan, appropriateness of care, or justification of charges; (v) Utilization review activities, including precertification and preauthorization of services, concurrent and retrospective review of services; and (vi) Disclosure to consumer reporting agencies of any of the following protected health information relating to collection of premiums or reimbursement: (A) Name and address; (b) Date of birth; (c) Social security number; (D) Payment history; (E) Account number; and (F) Name and address of the health care provider and/or health plan.

**Protected Health Information (PHI)** – Individually identifiable health information that is transmitted or maintained in electronic media or in any other form or medium. PHI includes all individually identifiable information that relates to an individual's physical or mental health or condition, provision of health care, and payment for health care.

**Treatment** – Treatment means the provision, coordination, or management of health care and related services by one or more health care providers, including the coordination or management of health care by a health care provider with a third party; consultation between health care providers relating to a patient; or the referral of a patient for health care from one health care provider to another.

**Use** – Use means with respect to individually identifiable health information, the sharing, employment, application, utilization, examination, or analysis of such information within an entity that maintains such information.

**Workforce** - Employees, volunteers, trainees, and other persons whose conduct in the performance of work for a business associate, is under the direct control of such entity, whether or not they are paid by the business associate.

#### **IV. PROCEDURES**

##### **4.1 Use of PHI**

Workforce members may use PHI for:

- To provide treatment;
- To obtain payment;
- For health care operations

##### **4.2 Disclosure of PHI**

Workforce members may disclose PHI:

- 4.2.1 For treatment,
- 4.2.2 To obtain payment,
- 4.2.3 To a Kanabec County subcontractor for any purpose for which Kanabec County operating units may use the information.

- 4.2.4 To other covered entities for the purposes of:
  - Conducting population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, and related functions that do not include treatment.
  - Contacting of health care providers and patients with information about treatment alternatives (Disease Management)
  - Healthcare fraud and abuse detection or compliance.
- 4.2.5 Disclosure in accordance with Section 4.3

### **4.3 Disclosure of PHI in accordance with Kanabec County operating policies.**

An authorization to use or disclose protected health information (PHI) shall contain the following elements:

- 4.3.1 A description of the information to be used or disclosed, that identifies the information in a specific and meaningful fashion. (Must be in plain language)
- 4.3.2 The name or other specific identification of who is authorized to use or disclose the information.
- 4.3.3 The name or other specific identification of the person or organization to which Kanabec County is authorized to make the disclosure. For example, John Brown, attorney.
- 4.3.4 A description of each purpose of the requested use or disclosure.
- 4.3.5. An expiration date, or an expiration event that relates to the member or to the reason for the use or disclosure. For example, this authorization will expire one year from the date this form is signed.
- 4.3.6. A statement that the member has the right to revoke the authorization in writing, and that the revocation does not apply:
  - If Kanabec County operating units have taken action in reliance on the authorization, the individual may not revoke the authorization for uses and disclosures that relate to such action;
  - If the authorization was obtained as a condition of obtaining insurance coverage, the individual may not revoke authorization to use or disclose the information if other law provides the insurer with the right to contest a claim under the policy or the policy itself.
- 4.3.7. A description of how the member may revoke the authorization.
- 4.3.8. A statement that the member does not have to sign the authorization as a condition of receiving treatment from Kanabec County , except:
  - If the treatment is research-related, provision of treatment may be conditioned on receipt of an authorization to use and disclose PHI related to this treatment as necessary for the research; or
  - If the purpose of the treatment services is to create PHI for disclosure to a third party, provision of the services may be conditioned on receipt of an authorization to disclose the PHI to that third party.
- 4.3.9 A statement that the individual does not have to sign the authorization as a precondition to payment, enrollment in the health plan, or eligibility for benefits, except:

- If the information for which the authorization is sought is for purposes of determining an individual's eligibility for benefits or enrollment, the benefits or enrollment may be denied if the individual does not provide an authorization; or
  - If the information for which the authorization is sought is for underwriting or risk rating determinations, enrollment in the health plan or eligibility for benefits may be denied if the individual does not provide an authorization.
  - Kanabec County operating units will not condition payment, enrollment in the health plan, or eligibility for benefits on the receipt of an authorization to use or disclose psychotherapy notes.
- 4.3.10 A statement that information that is disclosed in accordance with the authorization may be disclosed further by the recipient, and that the information may no longer be protected by federal privacy rules regarding protected health information.
- 4.3.11 If the authorization is for the use or disclosure of PHI for marketing, and the use or disclosure will involve direct or indirect remuneration to Kanabec County operating units from a third party, the authorization must state that such remuneration is involved.
- 4.3.12 The member's signature, or the signature of the member's personal representative, with a description of the representative's authority to act for the member.
- 4.3.13 The date of the signature
- 4.3.14 The following additional standards apply to authorizations that are combined with other documents. An authorization that is combined with any other document except as listed below is not valid:
- Authorizations may be combined with other authorizations in a single compound authorization, if none of the authorizations relates to the use or disclosure of psychiatric notes, and if none of the authorizations is required as a condition of receiving treatment, or other services from Kanabec County operating units, or as a precondition to payment, enrollment, or eligibility for benefits.
  - Two or more authorizations that relate to the use and disclosure of psychiatric notes may be combined, but may not be combined with authorizations relating to any other type of PHI.
  - A research authorization may be combined with consent to participate in the research, with other authorizations to use or disclose PHI for the research, with other written permission for the same research study, and with the notice of privacy practices, in a single document.

#### 4.4 Workforce

Kanabec County employees will only use authorization forms that have been approved by the Kanabec County Board of Commissioners when requesting a member's authorization for the use or disclosure of PHI.

Any authorization form whose validity is questioned by a workforce member will be forwarded to their supervisor or manager for review, and if necessary forwarded to the Privacy Officer for a final determination before any PHI is released or used with respect to such form.

---

Action #24 - It was moved by Les Nielsen, seconded by Dennis McNally, and carried unanimously to approve and authorize the Chairperson to sign a Labor Agreement between Kanabec County and Laborer's District Council Local 563 for the time period January 1, 2005 through December 31, 2006.

**1:43pm** - Information Systems Director Jessie Ruckle met with the County Board to discuss computer equipment for the Family Service Agency.

Action #25 - It was moved by Jerry Nelson, seconded by Les Nielsen, and carried unanimously to authorize the purchase of the following from Welfare Funds:  
(3) Computers at \$824.00 + tax + \$90 warrantee  
(20) Monitors at \$189.00 + tax.

Action #26 - It was moved by Les Nielsen, seconded by Jerry Nelson, and carried unanimously to adjourn at 2:02pm to meet in regular session on Wednesday, March 23, 2005 at 6:30pm.

*Signed* \_\_\_\_\_  
Chairperson of the Kanabec County Board of Commissioners,  
Kanabec County, Minnesota

*Attest:* \_\_\_\_\_  
Kanabec County Coordinator