2016: YEAR OF THE HIPAA AUDIT

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HIPAA 2016: An Overview

- Review HIPAA
- Digitization of Health Records
- Breaches in Healthcare Data
- Cybersecurity
- Audit enforcement
- Compliance programs

What is HIPAA?

- Health Insurance Portability and Accountability Act of 1996
- Establishes national standards to protect individuals' medical records and other personal health information (PHI)
- Minimum Necessary Requirement
  - *Using only the minimum necessary health information to satisfy a particular purpose or function*
- Patients' Right to Privacy
  - *Privacy and freedom from intrusions regarding personal affairs*

Who handles personal health info?

- Treatment
  - *Doctors & other healthcare providers*
- Payment
  - *Health insurance*
- Organizations
  - *Drug utilization review / data review*
  - *Case management*

What's New?
Digitization of Health Records

- Obama administration
- Fully integrated Electronic Health Records (EHR) system
- Breaking down silos in healthcare
- Huge jump in healthcare efficiency and effectiveness
- But…
  - *Slow to adopt electronic records*
  - *Lack of security infrastructure*

What's New?
The Value of Health Data

- Hackers now prefer health data
- Large market for health insurance fraud → identity theft
- 10-20 times more than credit cards on the black market
- Credit cards can be cancelled, medical records are permanent
- EHR takes twice as long as normal identity theft to detect
- The majority of medical identity theft victims will find themselves paying around $13,500 to resolve identity theft issues.
- Victims hold providers responsible for their information

1. http://www.reuters.com/article/us-cybersecurity-hospitals-idUSKCN0HJ21I20140924
2. https://hipaahealthlaw.foxrothschild.com/2015/03/articles/privacy/hacked-health-records-prized-for-their-black-market-value/
3. https://getreferralmd.com/2015/11/getting-ready-for-hipaa-audits-in-2016-are-you-ready/

Data Breaches in Healthcare

- 8 of the 10 largest provider data breaches occurred in 2015
- Almost 90% of the health-care organizations surveyed had a data breach in the past two years
- Recent wave of ransomware attacks
- Estimated annual cost of $6.2 billion
- The U.S. Department of Health and Human Services (HHS) announced that it will launch HIPAA audits early 2016 in order to be more proactive in HIPAA enforcement.

1. https://hipaahealthlaw.foxrothschild.com/2015/03/articles/privacy/hacked-health-records-prized-for-their-black-market-value/
2. http://www.darkreading.com/threat-intelligence/healthcare-suffers-estimated-$62-billion-in-data-breaches/d/d-id/1325482

Encryption

- **Encrypt all electronic information** using the NIST (National Institute of Standards and Technology) standard.
- Use technology (e.g. enterprise-wide anti-virus) to **detect and prevent unauthorized use and transmission** of electronic data Purchase cyber insurance for your organization.
- **Self-assess for gaps in privacy and security** and continually improve processes, procedures, technology, and staff education.
- **Train and document your educational efforts** for both new and existing staff members. Staff members should take regularly scheduled refresher courses followed by assessments that reflect real-life situations.

https://www.healthport.com/health-information-insights/IndustryTopics/hipaa-news-and-updates.aspx

Mitigating Costs

- HIPAA security risk assessments
  - *Data breaches → millions of dollars in settlements*
- Encryption
  - *Stolen unencrypted laptops automatically presumes a data breach → hundreds of thousands of dollars in settlements*
- Audit penalties are expensive

http://complianceandethics.org/hipaa-compliance-what-you-need-to-know-for-2016/

Office of Civil Rights (OCR) Audits

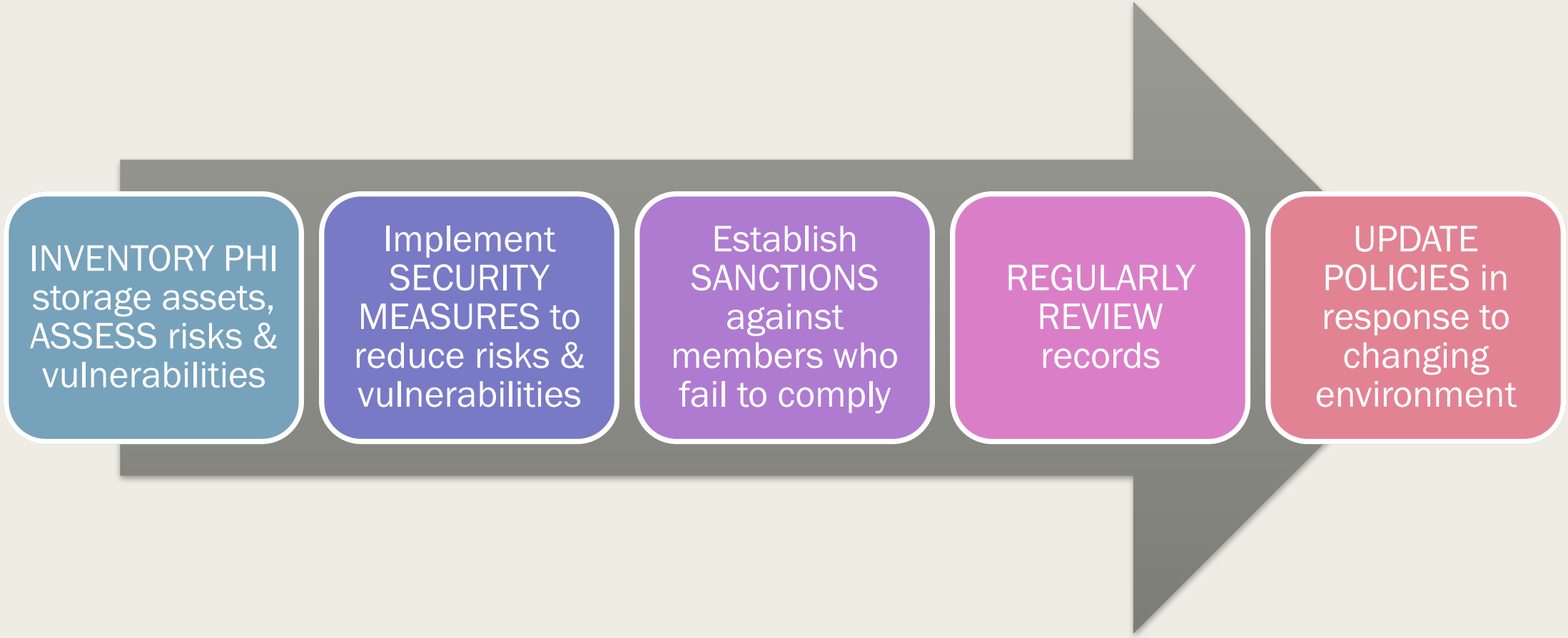
- OCR Phase I Audit results
  - *2/3s of entities lacked complete & accurate risk assessment*
- OCR Phase II Audit – 2016
  - *Providers will be randomly selected (including Hospitals, healthcare providers, health plans, business associates)*
  - *Includes "small" providers – those with fewer than 15 physicians*
  - *Greater focus on encryption and decryption*

HIPAA: Why comply?

- Not just a binder on the shelf
- Not optional – Everyone is expected to comply
- Compliance is a part of doing business
- Compliance is a means to adapt to ever-changing mandates and industry threats
- US Sentencing Guidelines provide leniency for entities that adopt effective compliance programs (lesser penalties for violations)

HIPAA Compliance

Policies and procedures to prevent, detect, contain, and correct security violations



Take Home Points

- Technology in healthcare is growing fast, but electronic security isn’t.
- Be cybersecure! Know where your encryption stands.
- HIPAA compliance is mandatory. Prepare now in case your organization is selected for audit.
- Encryption saves money!
- Strong data security protects your patients!

Questions?