HIPAA Data Breaches and Penalties

Penalties in excess of $1 Million have become commonplace along with the damage to reputation that healthcare providers face because of HIPAA data breaches. Did you know that breaches of more than 500 patient records must be reported to HHS? The government investigates each breach and can impose heavy fines for violations, especially if the practice was negligent in meeting its HIPAA obligations. The government also publishes the breaches on its so-called Wall of Shame. Recent breaches include:

- A health plan was fined $1.2 million when it breached over 344,000 patient records by not erasing the hard drives hidden in the copiers they returned after lease.

- A 5-physician practice in Arizona was fined $100,000 for using Gmail and Google calendar to schedule patient appointments.

- A small hospice in North Idaho was fined $50,000 for a stolen laptop that contained 441 patient records. This was the first time a penalty was assessed for the loss of fewer than 500 records.

- A Massachusetts hospital was fined $1.5 million for a stolen laptop that held 3,600 patient records.

- Idaho State University paid $400,000 when a network firewall stopped blocking unauthorized traffic. The failure was not discovered for 10 months resulting in the breach of 17,500 patient records.

- A Nebraska physician reported a breach of more than 2,000 patient records when a flash drive containing unencrypted patient data fell from the doctor’s lanyard.

- An Illinois health system had four computers containing unencrypted data stolen from an office, breaching 4 million patient records. The provider now faces state and federal investigations, a class-action lawsuit, and major fines.

Unannounced government audits begin on January 1. More than 700 healthcare organizations already have an entry on the HHS Wall of Shame. Don’t let your practice be next! Get a professional risk analysis to identify and remediate risks. Implement HIPAA policies and procedures. Train your staff.

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