

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	7 - 3 - 0
Yeas:	Bruun, Cannon, Dembrow, Garrett, Harker, Kotek, Greenlick
Nays:	Kennemer, Maurer, Thompson
Exc.:	0
Prepared By:	Roxie Cuellar, Administrator
Meeting Dates:	4/8, 4/27

WHAT THE MEASURE DOES: Requires state health plans, health insurers, health care providers that transmit any health information in electronic form in connection with transactions covered under ORS 192.518 – 192.529, and health care clearinghouses to include in annual reports descriptions of procedures by management to safeguard individually identifiable health information held in electronic and hard copy forms. Requires such entities to identify any deficiencies in procedures, as well as any known breaches of security, and all steps being taken to address deficiencies in safeguard procedures.

ISSUES DISCUSSED:

- Private right of action
- Hospital policies and procedures
- Public confidence in electronic security
- New Health Insurance Portability and Accountability Act (HIPAA) requirements that address security

EFFECT OF COMMITTEE AMENDMENT: Technical change that removes amendment to ORS 731.488 to maintain consistency between Oregon’s Insurance Code and National Association of Insurance Commissioners Model Act.

BACKGROUND: The last few years have seen numerous cases of patient medical files being lost or stolen from medical facilities or insurance companies. HIPAA mandated the establishment of standards for the privacy of individually identifiable health information, but did not effectively address security issues. In Oregon, House Bill 2733 (2007) was introduced to address the problem; House Bill 2604 is a reintroduction of that measure as it read at the conclusion of the 2007 Legislative Session.