



**Testimony of Becky Straus, Legislative Director
In Support of HB 2076
House Health Care Committee
February 13, 2013**

Chair Greenlick and Members of the Committee:

Thank you for the opportunity to provide comments in support of HB 2076. In essence, the bill would require all covered entities except health care clearinghouses, self-funded health plans and the State of Oregon to submit an annual audit report to DCBS or OHA/DHS, demonstrating compliance with federal and state health privacy and security laws.

Particularly in light of advancements in health information technology, including the increased use of electronic health records and the disclosure of those records through health information exchanges, it is more important than ever that patients' private medical information is protected. There are many reasons why a patient might wish to keep his or her medical records private and new technology should not result in a loss of control for that patient over who has access to those records and which specific piece of the record is shared.

HB 2076 does not solve all of the problems that we face in regard to health privacy, but it is a great step to ensure that the safeguards that do exist in current law are implemented, monitored, and effective. An audit and a public report will not only compel the auditing entity to examine any weaknesses in the way it collects, stores, and shares information, but will allow the public to inform themselves of the security of their very personal information.

I would like to suggest to the members of the Committee that you might consider including "business associates" in the reporting requirement. As defined in the HIPAA Privacy and Security Rules, a business associate is "a person or entity that performs certain functions or activities that involve the use or disclosure of protected health information on behalf of, or provides services to, a covered entity."¹ Business associates and their subcontractors obtain and share private medical and claims records, as do covered entities, and should be required to report on the effectiveness of their security measures in the same way.

The issues of privacy of health information are not only complex, but are unfortunately sometimes perceived to be at odds with coordinated health care delivery. We thank the proponents for raising these issues and proposing immediate and practical solutions to help address them.

Thank you for your consideration. Please feel free to be in touch with questions or comments.

¹ See <http://www.hhs.gov/ocr/privacy/hipaa/understanding/coveredentities/businessassociates.html>