

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 05/06/15

Action: Do Pass The A-Eng Bill.

Meeting Dates: 05/06

Vote:

Yeas: 4 - Kruse, Monnes Anderson, Shields, Steiner Hayward

Nays: 1 - Knopp

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WHAT THE MEASURE DOES:

Requires covered entities (i.e., private health insurers, health care providers and health care clearinghouses) that are required to file an annual financial statement with the Department of Consumer and Business Services (DCBS) to also file a protection of health information report demonstrating compliance with federal and state laws protecting individually identifiable health information. Specifies that the report can be a letter and outlines criteria. States the report is confidential. Requires that a health care facility submit a health information report to the Oregon Health Authority (OHA) no later than 120 days following the close of each fiscal year. Requires OHA to prescribe the form for submitting the report.

ISSUES DISCUSSED:

- Data breaches can result in medical history containing false information
- Health insurance companies have not kept pace with the severity of risk of data breaches
- Investment in cyber security
- Ability to evaluate weakness in storage, collection and sharing of information

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Health care information includes information such as social security numbers, patient demographics, clinical diagnosis, clinical notes and prescriptions. According to the Identity Theft Resource Center's 2014 report, health care entities accounted for nearly 43 percent of reported data breaches. In February 2015, the second-largest health insurer in the U.S. announced that hackers broke into a database, granting access to nearly 80 million records. The Health Insurance Portability and Accountability Act (HIPAA) of 1996 mandates the establishment of standards for the privacy of individually identifiable health information. A 2009 rule required all HIPAA-covered entities and businesses to provide notification following a data breach. According to the Department of Health and Human Services, since 2009, more than 38.7 million individuals have had their protected health information compromised.

House Bill 2551-A requires covered entities to report annually on system safeguards for protecting confidentiality of individually identifiable health information.