The Relationship Between HIPAA Compliance and Business Associates
# HHS Wall of Shame


<table>
<thead>
<tr>
<th>Name of Covered Entity</th>
<th>State</th>
<th>Covered Entity Type</th>
<th>Individuals Affected</th>
<th>Breach Submission Date</th>
<th>Type of Breach</th>
<th>Location of Breached Information</th>
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<tbody>
<tr>
<td>Carson Valley Medical Center</td>
<td>NV</td>
<td>Healthcare Provider</td>
<td>11358</td>
<td>04/04/2017</td>
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<td>Memorial Healthcare</td>
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<td>GA</td>
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<td>Lane Community College Health Clinic</td>
<td>OR</td>
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<td>1911</td>
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<td>Hacking/IT Incident</td>
<td>Laptop</td>
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<td>PA</td>
<td>Health Plan</td>
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<td>Paper/Films</td>
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<td>Unauthorized Access/Disclosure</td>
<td>Paper/Films</td>
</tr>
</tbody>
</table>

20% Involved Business Associates
What is HIPAA Compliance and what is NOT

- **Compliance vs. Security**
  - Fines vs. Risk

- **HIPAA/HITECH**
  - Protect patient confidentiality while furthering innovation and patient care
  - **Privacy Rule and Security Rule**

- **Omnibus**
  - Business Associates must be HIPAA compliant
  - Covered Entities must have BAAs
    - **Conduct Due Diligence**
    - **Breach Notification Rule**

- **Meaningful Use**
  - Accelerate adoption of EHR (electronic Health records)
What Information Does HIPAA Protect?

PHI may include any of the following:

- Names
- Addresses
- Dates of Service
- Telephone Numbers
- Fax Numbers
- Email Addresses
- Social Security Numbers
- Medical Record Numbers
- Health Plan Beneficiary Numbers
- Account Numbers
- Certificate/License Numbers
- Vehicle identifiers/Serial Numbers
- Device identifiers and serial numbers
- Web Universal Resource Locators (URLs)
- Internet Protocol (IP) address numbers;
- Biometric identifiers
- Full Face Photos or Videos
- Any other unique identifying number, characteristic, or code
Compliance vs. Security

**Compliance**
- Audits
  - Security, Privacy, and Administrative
- Gap Identification
- Remediation
- Policies & Procedures
- Employee Training & Attestation
- Business Associate Management
  - BA Agreements & Audit
- Incident Management

**Security**
- Security Risk Analysis
- Penetration Testing
- Remediation
  - Vulnerability Scan
- Prevention
  - System Hardening
- Detection
  - Behavioral monitoring
  - Network Security Monitoring

Security Risk Assessment

FINES ➔ REPUTATION ➔ RISK
Omnibus Rule

- **Business Associates:**
  - Direct liability by function
  - Directly liable for violations
  - Must be HIPAA Compliant (Security Rule)
    - Technical, Administrative, & Physical Safeguards

- **Covered Entities:**
  - Compliance with Privacy Rule
  - Must have BAAs (Business Associate Agreements)
  - Conduct **Due Diligence**
  - for the CE

- **Contracting with subcontractors**
  - BA liability flows to all subcontractors
The HIPAA Compliance Puzzle

- Audits
  - SRA (Security Risk Assessment), Administrative, Privacy
- Remediation Plans
- Business Associate Management
- Incident Management & Remediation
- Document Version, Employee Attestation & Tracking
- Policies, Procedures & Training

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Importance of BAA & Complete Risk Analysis

- **Who**: North Memorial Health Care of Minnesota
- **What**: **Laptop theft**, 6,497 patient records
- **Why**: No BAA with Billing firm, **failed to complete a risk analysis** to address all potential risks and vulnerabilities to ePHI
- **Settlement**: $1,550,000 and CAP (3/19/16)

“Two major cornerstones of the HIPAA Rules were overlooked by this entity,” said Jocelyn Samuels, **Director of OCR**. “Organizations must have in place compliant Business Associate Agreements as well as an accurate and thorough risk analysis that addresses their enterprise-wide IT infrastructure.

Why You Should Worry About Business Associates

- In a recent study, more than half of business associates (59%) reported a data breach in the last two years that involved the loss or theft of patient data. More than a quarter (29%) experienced two breaches or more.
- Of the 345 incidents reported by HHS and listed on their site under Breaches Affecting 500 or More Individuals, 74 involved a business associate (21%).

Fifth Annual Benchmark Study on Privacy & Security of Healthcare Data conducted by Ponemon Institute
The Need For BAAs

- **Who:** Raleigh Orthopaedic (North Carolina)
- **What/Why:** 17,300 patients affected
  - Handed over PHI to potential business partner without first executing a **business associate agreement**.
- **Settlement:** $750,000 & CAP (4/20/16)

“HIPAA’s obligation on covered entities to obtain **business associate agreements** is more than a mere check-the-box paperwork exercise,” said Jocelyn Samuels, Director of OCR. “It is critical for entities to know to whom they are handing PHI and to obtain assurances that the information will be protected.”

What are your responsibilities?

- Have an up-to-date BAA (Business Associate Agreement)
- Confirm the Business Associate:
  - Uses the information only for the purposes for which it was engaged for
  - Will safeguard the information from misuse
  - Help the covered entity comply with some of the covered entity’s duties under the Privacy Rule.
Important Definitions

Covered Entity (CE): Health care providers, health plans, health care clearinghouses who electronically transmit any Protected Health Information (PHI)

Business Associate (BA): Any individual or organization that creates, receives, maintains or transmits PHI on behalf of a Covered Entity (CE)

Subcontractor: Create, receive, maintain or transmit PHI on behalf of a BA
HIPAA Overlap

Some Covered Entities are also Business Associates.
Business Associate Agreements

Agreement between the CE and BA to govern the BA’s creation, use, maintenance and disclosure of PHI.

- Must comply with HIPAA Security
- Must help a CE satisfy Privacy Rules
- BAAs have **ALWAYS** been required by HIPAA
- After Omnibus – Require **reciprocal monitoring** by the BA & CE
- Subcontractors of BAs are treated as BAs as well

**Required before a CE contracts** with a third party individual or vendor (subcontractor) to perform activities or functions which will involve the use or disclosure of PHI
Business Associate Liability

**Business associates are directly liable for:**

1. Impermissible uses and disclosures
2. Failure to provide breach notification to the CE
3. Failure to provide access to a copy of ePHI to either the CE, the individual, or the individual’s designee
4. Failure to disclose PHI where required by the HHS to investigate or determine the BA’s HIPAA compliance
5. Failure to follow Minimum Necessary standard when using or disclosing
6. Failure to provide an accounting of disclosures
First Business Associate Penalty

- **Who**: Catholic Health Care Services of the Archdiocese of Philadelphia (CHCS), IT services for nursing facilities
- **What**: iPhone theft (412 PHI)
- **Why**: Device was unencrypted and not password protected:
  - Lack of policies & procedures for removal of PHI devices
  - Lack of policies & procedures to address incidents
  - No risk analysis or risk management plan
- **Settlement**: $650,000 & CAP (6/29/16)

“Business associates must implement the protections of the HIPAA Security Rule for the electronic protected health information they create, receive, maintain, or transmit from covered entities,” said Office for Civil Rights (OCR) Director Jocelyn Samuels. “This includes an enterprise-wide risk analysis and corresponding risk management plan, which are the cornerstones of the HIPAA Security Rule.”

When is a BAA Not Needed?

**Treatment**
- PHI being disclosed to a healthcare provider for treatment purposes (e.g., primary/referring physician, contract physicians or specialists, contract nursing staff, contract rehab staff, ambulance, home health, dentist).

**Payment**
- PHI being disclosed to a health plan for payment purposes, or to a health plan sponsor with respect to disclosures by a group health plan.

**Operations**
- PHI being disclosed for the purpose of health care operations. (Administrative and managerial activities, such as business planning, resolving complaints, and complying with HIPAA.)
BA Definition Made Easy

(Person/Organization) who...
On behalf of such (Covered Entity/Business Associate)...
Creates, receives, maintains, or transmits protected health information ...
The Question To Ask Yourself

What is (company X) doing with my PHI.... that otherwise I would need to do myself?
Is an offsite transcription service a Business Associate?

No  Incorrect

Yes  Correct

What is (company X) doing with my PHI.... that otherwise I would need to do myself?
Is a contracted office cleaning company a Business Associate?

- **No** (Correct)
- **Yes** (Incorrect)

What is (company X) doing with my PHI... that otherwise I would need to do myself?
Is a Security Guard service a Business Associate?

- Yes
- No

What is (company X) doing with my PHI... that otherwise I would need to do myself?
Is Your Billing Firm a Business Associate?

- No
  Incorrect

- Yes
  Correct

What is (company X) doing with my PHI... that otherwise I would need to do myself?
Examples of Business Associates

- IT Support and Software Vendors
- IT Equipment Vendors
- Leasing firms
- Telephone CPE Vendors
  - Depends on Conduit
- Shredding Vendors
- Data Centers
- Cloud Computing Providers
- EHR/EMR Providers
- Answering Services for Medical Offices

- Medical Billing Services
- Medical Transcriptions Services
- Medical Collection Agencies
- Temporary Employment Agencies
- Healthcare Equipment Companies
- Document Storage Companies
- Accounting Firm
- Law Firm
- Consulting Firm
- Software Vendor
Data Transmission Services

- Business associates include health information organizations and e-prescribing gateways.
- To qualify as a business associate, the data transmission service must have “routine” access to the PHI it is transmitting.
- The “conduit exception” – if an entity is simply acting as a pass-through with no routine access, not a business associate.
  - Examples include telephone company, UPS and courier services.
The HIPAA Compliance Puzzle

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- Policies, Procedures & Training
- Document Version, Employee Attestation & Tracking
- Business Associate Management
- Incident Management & Remediation
Compliancy Group

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The Guard

- Total HIPAA compliance Solution
- Simple
- Cost-Effective
- Achieve, Illustrate and Maintain™ methodology
  - No Audits failed, ever!
- Compliance Support
  - Compliance Coaches
  - HIPAA Hotline, Email, chat or call
  - Breach Support
  - Audit Support
- Seal of Compliance
  - Verification and Validation of your HIPAA compliance

Audits
SRA (Security Risk Assessment), Administrative, Privacy

Remediation Plans

Incident Management & Remediation

Business Associate Management

Document Version, Employee Attestation & Tracking

Policies, Procedures & Training

Compliance Support

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