



HIPAA Audits Target Groups Large and Small

We fear that many in the benefits community set aside HIPAA concerns during the early years in which audits and enforcement actions were few and far between. That has changed.

As we have previously reported, HHS recently hired additional staff and outside contractors to conduct audits under HIPAA and HITECH. In addition, HHS has trained state attorneys general on conducting privacy audits.

As a result, HHS is now recording record penalty and damage awards. The largest penalty to date is \$4.35 million, assessed against a Maryland health center that failed to provide requested documents, and to cooperate with investigators. Other health centers and insurers have been assessed penalties in excess of \$1 million.

But penalties are not limited to large employers. An HHS News Release on April 17, 2012, announced a \$100,000 penalty against a small surgical practice. The violations included transferring PHI to workplace members' personal email accounts and by text messages, and posting PHI on an internet-based calendar.

Even beyond audits and penalty assessments, media reports this month detail alleged HIPAA violations, including a privacy breach here in Kansas City involving abortion records, and a security breach in Atlanta involving surgical records.

HHS said it "expects full compliance no matter the size of a covered entity." All plans, plan sponsors and business associates need to update their policies and procedures to protect against breaches and adverse consequences in the event of an audit.

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