

LONG TERM CARE & SENIOR LIVING BLOG

Dermatology Practice Settles Potential HIPAA Violations

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Adult & Pediatric Dermatology, P.C., of Concord, Mass., (APDerm) has agreed to settle potential violations of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy, Security, and Breach Notification Rules with the Department of Health and Human Services, agreeing to a \$150,000 payment. APDerm will also be required to implement a corrective action plan to correct deficiencies in its HIPAA compliance program. APDerm is a private practice that delivers dermatology services in four locations in Massachusetts and two in New Hampshire. This case marks the first settlement with a covered entity for not having policies and procedures in place to address the breach notification provisions of the Health Information Technology for Economic and Clinical Health (HITECH) Act, passed as part of American Recovery and Reinvestment Act of 2009 (ARRA).

The HHS Office for Civil Rights (OCR) opened an investigation of APDerm upon receiving a report that an unencrypted thumb drive containing the electronic protected health information (ePHI) of approximately 2,200 individuals was stolen from a vehicle of one its staff members. The thumb drive was never recovered. The investigation revealed that APDerm had not conducted an accurate and thorough analysis of the potential risks and vulnerabilities to the confidentiality of ePHI as part of its security management process. Further, APDerm did not fully comply with requirements of the Breach Notification Rule to have in place written policies and procedures and train workforce members.

In addition to a \$150,000 resolution amount, the settlement includes a corrective action plan requiring APDerm to develop a risk analysis and risk management plan to address and mitigate any security risks and vulnerabilities, as well as to provide an implementation report to OCR.

The resolution agreement and press release can be found on the OCR website at <http://www.hhs.gov/ocr/privacy/hipaa/enforcement/examples/apderm->

By Denise Bloch

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