



"OCR is Serious about HIPAA Enforcement"

Here's a HIPAA wake-up call to the benefits community. Within a two day span, the Department of Health and Human Services' (HHS) Office of Civil Rights (OCR) imposed a \$4.3 million civil monetary penalty on a Maryland covered entity and entered into a \$1 million settlement with a Massachusetts provider for HIPAA violations emphasizing OCR Director Georgina Verdugo's statement that "OCR is serious about HIPAA Enforcement."

Civil Monetary Penalty

On February 22, HHS announced the imposition of a \$4.3 million civil monetary penalty on Cignet Health of Prince George's County, Maryland (Cignet). Cignet was fined \$1.3 million for its failure to provide patients with access to their medical records as required by the HIPAA Privacy Rule. For failure to cooperate with the investigation, Cignet was also assessed the maximum penalty of \$50,000 per day, with enough complaints and days of noncompliance to reach the penalty cap of \$1.5 million per year comprising the additional \$3 million of Cignet's penalty.

Settlement

On February 24, HHS announced a settlement with General Hospital Corporation and Massachusetts General Physicians Organization, Inc. (Massachusetts General Hospital) for its HIPAA violations. The incident at issue involved lost documents containing protected health information including names, birth dates and diagnoses. A Massachusetts General Hospital employee accidentally left the documents, secured only by a rubber band, on a subway, and they were never recovered. As a result of this HIPAA violation, Massachusetts General Hospital entered into a settlement with HHS for \$1 million and agreed to complete a three-year corrective action plan.

What does this mean?

Some covered entities and business associates may have relaxed a bit due to the prior lack of staff and enforcement by HHS and OCR. That period is over! Both agencies have now staffed up. They will not hesitate to impose severe monetary penalties and they are not taking investigations lightly. Our health benefits team can help you get back on the HIPAA and HITECH compliance track.

Dated: May 23, 2011

Written by: Michelle A. Schmidt