

Press Release

FOR IMMEDIATE RELEASE
January 17, 2013

Contact: HHS Press Office
202-690-6343

New rule protects patient privacy, secures health information

Enhanced standards improve privacy protections and security safeguards for consumer health data

The U.S. Department of Health and Human Services (HHS) moved forward today to strengthen the privacy and security protections for health information established under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

The final omnibus rule greatly enhances a patient's privacy protections, provides individuals new rights to their health information, and strengthens the government's ability to enforce the law.

"Much has changed in health care since HIPAA was enacted over fifteen years ago," said HHS Secretary Kathleen Sebelius. "The new rule will help protect patient privacy and safeguard patients' health information in an ever expanding digital age."

The changes in the final rulemaking provide the public with increased protection and control of personal health information. The HIPAA Privacy and Security Rules have focused on health care providers, health plans and other entities that process health insurance claims. The changes announced today expand many of the requirements to business associates of these entities that receive protected health information, such as contractors and subcontractors. Some of the largest breaches reported to HHS have involved business associates. Penalties are increased for noncompliance based on the level of negligence with a maximum penalty of \$1.5 million per violation. The changes also strengthen the Health Information Technology for Economic and Clinical Health (HITECH) Breach Notification requirements by clarifying when breaches of unsecured health information must be reported to HHS.

Individual rights are expanded in important ways. Patients can ask for a copy of their electronic medical record in an electronic form. When individuals pay by cash they can instruct their provider not to share information about their treatment with their health plan. The final omnibus rule sets new limits on how information is used and disclosed for marketing and fundraising purposes and prohibits the sale of an individuals' health information without their permission.

"This final omnibus rule marks the most sweeping changes to the HIPAA Privacy and Security Rules since they were first implemented," said HHS Office for Civil Rights Director Leon Rodriguez. "These changes not only greatly enhance a patient's privacy rights and protections, but also strengthen the ability of my office to vigorously enforce the HIPAA privacy and security protections, regardless of whether the information is being held by a health plan, a health care provider, or one of their business associates."

The final rule also reduces burden by streamlining individuals' ability to authorize the use of their health information for research purposes. The rule makes it easier for parents and others to give permission to share proof of a child's immunization with a school and gives covered entities and business associates up to one year after the 180-day compliance date to modify contracts to comply with the rule.

The final omnibus rule is based on statutory changes under the HITECH Act, enacted as part of the American Recovery and Reinvestment Act of 2009, and the Genetic Information Nondiscrimination Act of 2008 (GINA) which clarifies that genetic information is protected under the HIPAA Privacy Rule and prohibits most health plans from using or disclosing genetic information for underwriting purposes.