Alaska DHSS settles HIPAA security case for $1,700,000

Alaska Department of Health and Human Services (DHHS) has agreed to pay the U.S. Department of Health and Human Services’ (HHS) $1.7 million to settle potential violations of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Security Rule.  Alaska also agreed to take corrective action to improve policies and procedures to safeguard the privacy and security of its patients’ protected health information. OCR’s investigation followed a breach report submitted by Alaska DHHS as required by the Health Information Technology for Economic and Clinical Health (HITECH) Act.  The report indicated that a portable electronic storage device (USB hard drive) possibly containing ePHI was stolen from the vehicle of a DHHS employee.  Over the course of the investigation, OCR found that DHHS did not have adequate policies and procedures in place to safeguard ePHI.  Further, DHHS had not completed a risk analysis, implemented sufficient risk management measures, completed security training for its workforce members, implemented device and media controls, or addressed device and media encryption as required by the HIPAA Security Rule.