Good morning, Tier 1s and IT Representatives -

Yesterday, the Office for Civil Rights announced a $3.2M penalty against Children's Medical Center of Dallas for issuing unencrypted devices to employees and for failing to encrypt laptops, workstations, mobile devices, and removable storage media. Please use this most recent penalty as a reminder to encrypt new devices you are setting up for users in the Health Care Components that you support and to ensure that you encrypt all portable devices used for University business in those areas in accordance with IT's Wireless Access Standard (http://it.ouhsc.edu/policies/documents/WirelessAccessSecurityStandard.pdf). PHI may not be stored on unencrypted laptops, workstations, devices, or media. (Your device inventory should reflect encryption status and date of encryption.) Thank you for your part in making the University’s HIPAA compliance program successful!

February 1, 2017

Lack of timely action risks security and costs $3.2M

The U.S. Department of Health and Human Services, Office for Civil Rights (OCR), has announced a Health Insurance Portability and Accountability Act of 1996 (HIPAA) civil money penalty against Children's Medical Center of Dallas (Children’s) based on its impermissible disclosure of unsecured electronic protected health information (ePHI) and non-compliance over many years with multiple standards of the HIPAA Security Rule.

On January 18, 2010, Children's filed a breach report with OCR indicating the loss of an unencrypted, non-password protected BlackBerry device at the Dallas/Fort Worth International Airport on November 19, 2009. The device contained the ePHI of approximately 3,800 individuals. On July 5, 2013, Children’s filed a separate HIPAA Breach Notification Report with OCR, reporting the theft of an unencrypted laptop from its premises sometime between April 4 and April 9, 2013. Children’s reported the device contained the ePHI of 2,462 individuals. Although Children’s implemented some physical safeguards to the laptop storage area (e.g., badge access and a security camera at one of the entrances), it also provided access to the area to workforce not authorized to access ePHI.

OCR’s investigation revealed Children’s noncompliance with HIPAA Rules, specifically, a failure to implement risk management plans, contrary to prior external recommendations to do so, and a failure to deploy encryption or an equivalent alternative measure on all of its laptops, workstations, mobile devices and removable storage media until April 9, 2013. Despite Children’s knowledge about the risk of maintaining unencrypted ePHI on its devices as far back as 2007, Children’s issued unencrypted BlackBerry devices to nurses and allowed its workforce members to continue using unencrypted laptops and other mobile devices until 2013.

The Notice of Proposed Determination and Notice of Final Determination may be found on the OCR website at https://urldefense.proofpoint.com/v2/url?u=http-3A__www.hhs.gov_hipaa_for-2Dprofessionals_compliance-2Denforcement_agreements_Childrens&d=CwIFaQ&c=qrFBvZajCh3ogDwXHid3brxO-31vTsTBEla6TCCEk&u=WzSQRQ7KVIJWEZ2DA3HmxgYBLc3wV3wXD68IY8isU&m=znRydCpncnlDalG_IRASyn7h1DMMdcrQz2-BbE&s=CioThBeBus6EmxKBF72MFLQrmNtNvF6uJmyYFNW0AHWM&e=

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