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Subject: 5.5 Million Reasons to Encrypt
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Good afternoon, all –

Please share this with the employees, trainees, volunteers, and students in your HCC as yet another reminder not to store PHI on unencrypted devices – regardless of whether the devices University-owned or personally-owned. This is a staggering penalty!

Thank you for your help with our HIPAA compliance efforts.

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BREAKING: Ill. Hospital Chain Inks Record \$5.5M HIPAA Deal

Share us on: By **Jeff Overley**

Law360, New York (August 4, 2016, 2:57 PM ET) -- Illinois' largest hospital chain will pay **\$5.5 million for lax data security and breaches of protected health information** for millions of patients, a record payout under the Health Insurance Portability and Accountability Act, federal regulators said Thursday.

[Advocate Health Care Network](#), which operates 12 hospitals and hundreds of satellite locations, agreed to the payout in connection with three data breaches that compromised the records of 4 million individuals at a medical group subsidiary. The affected data included **clinical information, health insurance information, credit card numbers and dates of birth**, according to the Office for Civil Rights at the [U.S. Department of Health and Human Services](#).

Investigations of those breaches turned up additional problems. The OCR found Advocate didn't adequately assess risks to so-called electronic protected health information, or ePHI. The hospital system also didn't properly limit access to electronic systems, failed to obtain agreements with business associates to safeguard ePHI and demonstrated its shortcomings when an **employee left an unencrypted laptop in an unlocked vehicle overnight**, the OCR said.

"We hope this settlement sends a strong message to covered entities that they must engage in a comprehensive risk analysis and risk management to ensure that individuals' ePHI is secure," OCR Director Jocelyn Samuels said.

The largest previous HIPAA settlement with a single entity occurred in March when the Feinstein Institute for Medical Research entered a \$3.9 million resolution. There was also a May 2014 settlement worth \$4.8 million, with the obligation shared between [New York-Presbyterian Hospital](#) and Columbia University. And in 2011, a company called Cignet Health was hit with a \$4.3 million civil monetary penalty for HIPAA violations.

Thursday's penalty brings HIPAA penalties to \$20.4 million so far in 2016. That far outpaces the previous annual record of \$7.9 million in all of 2014.