HHS Announces First HIPAA Breach Settlement of 2019; 300,000 Patients Affected

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On May 6, 2019, the U.S. Department of Health and Human Services announced that Touchstone Medical Imaging will pay $3 million to settle potential HIPAA violations associated with a breach that exposed more than 300,000 patients’ Protected Health Information. The breach occurred in May 2014. One of Touchstone’s servers allowed uncontrolled access to patients’ PHI. As a result, Touchstone patients’ PHI was visible on the Internet. During its investigation, HHS determined that Touchstone did not thoroughly investigate the breach until several months after it was informed of the breach by law enforcement. HHS also found that the company did not conduct an accurate analysis of potential risks to the confidentiality of its PHI and did not have business associate agreements in place with its vendors.

Putting it Into Practice: This case is a reminder for entities to swiftly respond to suspected and known security incidents and to ensure that appropriate steps are taken to prevent such incidents from occurring in the first place. Steps include performing risk analyses and adopting business associate agreements with vendors.

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