

# Lessons from Breach Street:

What recent breach incidents tell us about  
current HIPAA problems

## A brief history of HIPAA

- 1996: HIPAA statute passes
- 2000/2001: Privacy Rule published
- 2003: Privacy Rule enforceable, Security Rule published
- 2005: Security Rule enforceable
- 2009: HITECH Act passes, initial regulations passed
- 2013: HITECH “omnibus rule”

# **“HITECH” Act and Omnibus Rule Provisions**

- New Data Breach Rules
  - “unsecured” PHI is the key
- Standard Exceptions:
  - Wrong person at the right covered entity
    - Workforce member access in good faith
    - Person authorized to access PHI generally
  - Recipient not reasonably likely to retain PHI
- General Exception:
  - Was “no substantial harm”
  - Now “low risk of compromise”

# **Older Breaches: The Classics**



# Sony Pictures



- November 2014 Ransom-style hack
- Stolen & released info
  - movie scripts, emails, salary lists, >47,000 SSN
- Attributed to North Korea (The Interview)
- At least \$41 MM investigation and remediation

# Target



- December 2013: Email hack on HVAC vendor
- Skimming technology on POS
  - 40 million credit card numbers, CVVs
  - 70 million cardholder names, addresses, etc.
- 46% ↓ in Dec. profits
- \$291 MM expenses related to breach (\$90 MM insurance) (2016 10-K)

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