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OCR ISSUES HIGHEST HIPAA PENALTY IN ENFORCEMENT HISTORY

The Office of Civil Rights ("OCR") has imposed a \$16 million penalty against Anthem, Inc. to settle potential violations of HIPAA. This is the highest settlement amount imposed by OCR. Over the span of about 2 months in 2014-2015, cyber-attackers gained access to Anthem's IT system via an undetected targeted cyber-attack designed to extract data from the system. The cyber-attack was initiated by way of spear phishing e-mails responded to by employees. On March 13, 2015, Anthem filed a breach report with OCR. OCR's investigation revealed that the cyber-attackers stole the ePHI of almost 79 million individuals, including names, social security numbers, medical identification numbers, addresses, dates of birth, email addresses, and employment information. OCR's investigation revealed that Anthem failed to conduct an enterprise-wide risk analysis, had insufficient procedures to regularly review information system activity, failed to identify and respond to suspected or known security incidents, and failed to implement adequate minimum access controls to prevent the cyber-attackers from accessing sensitive ePHI. Additional information is available [here](#).

ALABAMA MEDICAID APPROVES INTEGRATED CARE NETWORK

Alabama Medicaid recently approved an integrated care network ("ICN") to complement the long-term care services rendered to Medicaid beneficiaries. The program will not change the Medicare benefits available, but will help beneficiaries learn about and apply for services available to them, such as medication management, support for independent living, or managing or preventing illness. Alabama Select Network will oversee the program through a contract with Alabama Medicaid. Additional information is available [here](#).

ALABAMA BOARD OF MEDICAL EXAMINERS NEWSLETTER

The Alabama Board of Medical Examiners recently issued its latest newsletter. Topics addressed include license renewals, benzodiazepine use and misuse, changes to office-based surgery registration, 2019 ICD-10 code changes, and the regulation of stem cell and regenerative therapies. A copy of the newsletter is available [here](#).

OIG ISSUES NEW ADVISORY OPINION

The Office of Inspector General ("OIG") recently issued an Advisory Opinion regarding certain payments to contracted providers and clinics from a health plan. The requestor is a managed care organization that operates a state's Medicaid program through a capitated contract (i.e., per member per month payment). The requestor proposes to provide incentive payments to its contracted providers that meet certain benchmarks designed to increase the early and periodic screening, diagnostic, and treatment services ("EPSDT") provided. The incentives would be based on a year-to-year percentage change in volume of EPSDT services provided to existing enrollees. The

OIG advised that the proposed arrangement would comply with the safe harbor for eligible managed care organizations and, thus, would not implicate the Anti-kickback Statute. The Advisory Opinion is available [here](#).

For more information on these Helpful Hints topics, please contact:



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