

Cybersecurity Insurance for Medical Practices - the Basics

By: David J. Eismont, ARM, senior director of business development, The Doctors Company



More medical practices are purchasing—or at least considering—an insurance policy to cover the substantial costs of a data breach. Medical malpractice policies often provide basic coverage for this threat, but many practices find their risks have grown to the point where they are looking to a stand-alone cybersecurity policy to better meet their needs.

The following provides an overview of what your practice can expect from a cybersecurity policy. Keep in mind that not all policies are the same and actual coverage will be determined by a policy's terms, conditions, and exclusions.

Coverages are typically split into two types— first-party and third-party:

First-Party Coverage

First-party coverage addresses the costs and expenses your practice incurs from a data security or privacy breach event, such as:

- *A physician comes to the office one morning and logs in to the computer, but the screen goes blank and a message pops up claiming to have hijacked the data and demands payment to get it back.*

The “extortion threat” section of a cybersecurity policy may assist with this type of breach. Professional experts hired by the carrier will contact the cyber criminals to attempt to get the data released, including potentially paying the ransom. You should also be concerned with not only the financial impact to your practice, but also the impact on the treatment of your patients if your systems are down for any length of time due to a breach. The business interruption section of a cyber policy may provide reimbursement of lost profits during your downtime. Many standard property policies do not cover this exposure, since there was no physical damage to the equipment.

- *A physician discovers her system has been hacked and worries her patients' personal health information may have been compromised.*

If you discover your system has been hacked, your carrier can provide data breach response services to work with your IT staff to ascertain what happened. These forensic experts assess the nature of the hack and evaluate how much data has been compromised. This section of your coverage can assist with the costs of required patient notification. If you have records of patients from outside your home state, your insurance company should know the notification requirements for those states. You may also be required to provide those patients with credit monitoring services. Your coverage should help set up these services and cover the costs. The costs to notify patients and set up credit monitoring is approximately \$8-\$10 per patient record. If patient records are compromised, the data recovery and restoration section of your coverage could reimburse you to unencrypt, recover, restore, recreate, or recollect data.

- *The CEO of a company sends an e-mail to the CFO instructing the movement of funds into an account. The CFO makes the transfer, only to discover that the CEO's e-mail was a spear phishing attack in which the email address was a clever fake, and those funds are long gone.*

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*The Jefferson County Medical Society
Invites You to Attend the*

JCMS ANNUAL SOCIAL

at

The Club

in the Glen Iris Staterooms

**Thursday, November 15, 2018
6:00 – 8:00 p.m.**

Cocktails & Heavy Hors D'Oeuvres

6:30 p.m. – Brief Annual Business Meeting
Introduction of 2018 Scholarship Recipients

**THIS YEAR'S EVENT IS SPONSORED BY
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Please call the Jefferson County Medical Society
at 205-933-8601 for reservations

Deadline for Reservations
Thursday, November 8, 2018

Due to guarantee requirements at The Club, we will not be able to accept reservations after that time. Cancellations must also be received by November 8 to avoid charges for your reservation. Thank you for your understanding.

**2018 JCMS
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Your coverage's cybercrime section may cover the cost of the funds that were transferred. Employees who click on such phishing links could compromise your system. This section of your policy may also assist in those situations.

Third-Party Coverage

Third-party coverage provides protection from claims made against you by outside parties.

- It would not be unusual to have claims brought by regulatory agencies, such the U.S. Department of Health and Human services in the case of an alleged HIPAA violation involving a breach of patient records. Cybersecurity coverage for regulatory fines and penalties may allow for payment of fines on your behalf.
- If your practice accepts credit card payments and is not PCI-compliant (adhering to all the Payment Card Industry Data Security Standards), you could be subject to fines from the credit card companies. Policies with payment card industry coverage may provide payment for those fines.
- Some patients may bring claims against you for violating applicable privacy laws. The data security and privacy section of your cybersecurity policy may help in providing a defense and make payment to these claimants, if necessary. Employees of your practice could file such claims if their information was compromised.
- If you maintain a website or social media platforms, you might have a claim brought against you in the event someone believes your site or media content is defamatory or reveals private information about them. The cyber media section of a cybersecurity policy may also provide coverage in this case.

Healthcare accounted for 53 percent of reported data breaches in 2017, more than double the total of any other industry, according to Privacy Rights Clearinghouse. With healthcare data breaches on the rise, cyber liability insurance can help you recover faster in terms of financial coverage and remediation. In 2015, U.S. healthcare data breaches cost companies an average of \$363 per record, the highest of any industry, according to the Ponemon Institute. Depending on the size and scope, fines and damages for a HIPAA violation related to a breach of unencrypted personal health data can run into the millions of dollars.

Ask your agent or underwriter for more details about what's included in your policy and whether it meets your needs. If you have cyber insurance, check your liability limits to determine if you need to increase your coverage.

To learn how to comply with HIPAA rules in the event of a breach, how to thwart ransomware attacks and prevent spear phishing, and more, download the free guide [Your Medical Practice Is at Risk of a Data Breach](#) from The Doctors Company. More resources are available on the company's cybersecurity page.

How Much Can Physicians Charge for Medical Records?



The State of Alabama Board of Medical Examiners amended its rules that govern the fees physicians may charge to provide patients with copies of their medical records. The rules are set forth in Section 540-x-9-.10(2) of the Alabama Administrative Code, and the new rules became effective April 13, 2018. Federal and State of Alabama authorities have made it clear they intend to target physicians who charge excessive fees in future enforcement actions. Consequently, it is vital physicians have a proper understanding of the issues and promptly take appropriate action to comply.

To read this full article which explains the key dos and don'ts physicians should take into account to determine how much (and whether) they should charge patients for copies of their records, please go to the Medical Association's website at <http://alabamamedicine.org/what-can-physicians-charge-for-medical-records/>



Alabama Allergy & Asthma Center Welcomes Njeri Maina, M.D., Board Certified in Alergy & Clinical Immunology



Dr. Maina completed her Allergy and Immunology fellowship at the University of Alabama at Birmingham. She received her medical degree along with her degree in Microbiology and Immunology from Indiana University School of Medicine. She completed her residency at Vanderbilt University Medical Center. Dr. Maina has experience as a Hospitalist at Holmes Regional Medical Centre and Flagler Hospital in Florida. Dr. Maina has teaching experience at Indiana University as an Instructor in Nursing Microbiology Laboratory. Her international experience includes medicine rotation at Georgetown Public Hospital Corporation in Guyana, San Vito in Costa Rica, and Moi University Teaching and Referral Hospital in Kenya. Dr. Maina has received honors and awards from Indiana Medical Scientist Training Program Fellowship from Indiana University School of Medicine, Phi Beta Kappa from Earlham College, and Howard Hughes Foundation Award for summer research from Earlham College. Dr. Maina utilizes her years of experience from around the world to ensure quality service to her patients. She finds educating her patients about the treatment and information concerning their condition to be extremely important in providing excellent care for her patients. Dr. Maina and her husband and children live in Vestavia, Alabama.

Dr. Maina is now accepting appointments in Homewood, Hoover, and Alabaster.

Upcoming Events

- Oct. 15** Executive Committee Meeting – 5:30 p.m.
- Oct. 16** The Wayne Finley 811 Breakfast Club Meeting –
Ryan Kraemer, M.D., will speak on “Can We Improve Our
Diagnostic Acumen? A Clinical Reasoning Toolkit” at 8:30 a.m.
in the JCMS Board Room
- Nov. 15** JCMS Annual Social – The Club from 6:00 to 8:00 p.m.
- Nov. 19** Foundation Trust Meeting – 5:00 p.m.
Executive Committee Meeting – 5:30 p.m.
Board of Censors Meeting – 6:00 p.m.
- Nov. 20** The Wayne Finley 811 Breakfast Club Meeting –
Steve Flowers will speak on Alabama Politics at 8:30 a.m.
in the JCMS Board Room
- Dec. 17** Executive Committee Meeting – 5:30 p.m.
- Dec. 18** The Wayne Finley 811 Breakfast Club Meeting –
The speaker will speak at 8:30 a.m. in the JCMS Board Room
- May 19** JCMS Annual Barons Event

Contact Juanita Pruitt at jpruitt@jcmsalabama.org for more information.

JCMS Welcomes the Following New Members

Tony Adar, M.D.	Fellow	Olga L. Mazur, M.D.	Resident
Chinwe E. Ajalla, M.D.	Resident	Cole Philip McCarty, M.D.	Resident
Shahdeen S. Alam, D.O.	Resident	Jennifer Moreira-Dinzey, M.D.	Resident
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Mary T. Craig, M.D.	Resident	John Matthew Pierce, M.D.	Oncology/Hematology
Thomas J. Cunningham II, D.O.	Resident	Christen T. Roth, M.D.	Pediatrics
Ellen R. Dahl, M.D.	Resident	John M. Simmons IV, M.D.	Resident
Joshua Stephen Day, M.D.	Resident	Elijah Stiefel, M.D.	Resident
Ryan Fahy, D.O.	Resident	Timothy Taylor, M.D.	Family Medicine
Ashley M. Fry, M.D.	Oncology/Hematology	Charles R. Terry, M.D.	Resident
Ajay Kumar Reddy Gade, M.D.	Resident	Neil A. Tindell, D.O.	Resident
William O. Griffin, M.D.	Resident	Matthew West, M.D.	Resident
Sardion Jijelava, M.D.	Resident	Stephen C. Wheelis, M.D.	Resident
Benjamin S. Jones, M.D.	Oncology/Hematology	Sarah E. Williams, M.D.	Resident
Ryan J. Joy, D.O.	Resident		

IN MEMORIAM

THE JCMS WANTS TO ACKNOWLEDGE THE RECENT PASSING
OF THE FOLLOWING JCMS MEMBERS:

GRAY C. BUCK JR., M.D.
SEPTEMBER 21, 2018

JOHN WORRELL POYNOR, M.D.
OCTOBER 6, 2018

Update on Another Benefit of Membership... On-Line CME

In our Spring issue of Pulse, we informed you of the new rule adopted by the Alabama Board of Medical Examiners that, as of January 1, 2018, physicians who hold an ACSC must obtain 2 *AMA PRA Category 1 Credits™* in controlled substance prescribing every two years, and that the State Association has been working on an on-line course that meets the requirements of the new ABME rule. This course, along with many others, is now available to members on the Medical Association's new Online, OnDemand Education Center. It features an extensive collection of Online, OnDemand courses from Associations across the country on topics that range from addiction, opioid prescribing, billing, coding, ethics, HIPAA, pain management to regulatory compliance and much more. Included in this collection are seven Alabama Opioid Prescribing courses that meet ALBME's requirements for holders of an ACSC. The courses are free to Medical Association members.

Access the new Online Education Center by going to the Medical Association's website, www.alamedical.org/onlinecme, and log in using your username and password. From there, you can browse the CME catalog and add course(s) to your shopping cart. For more information, contact the Education Department at (800) 239-6272 or (334) 954-2500.

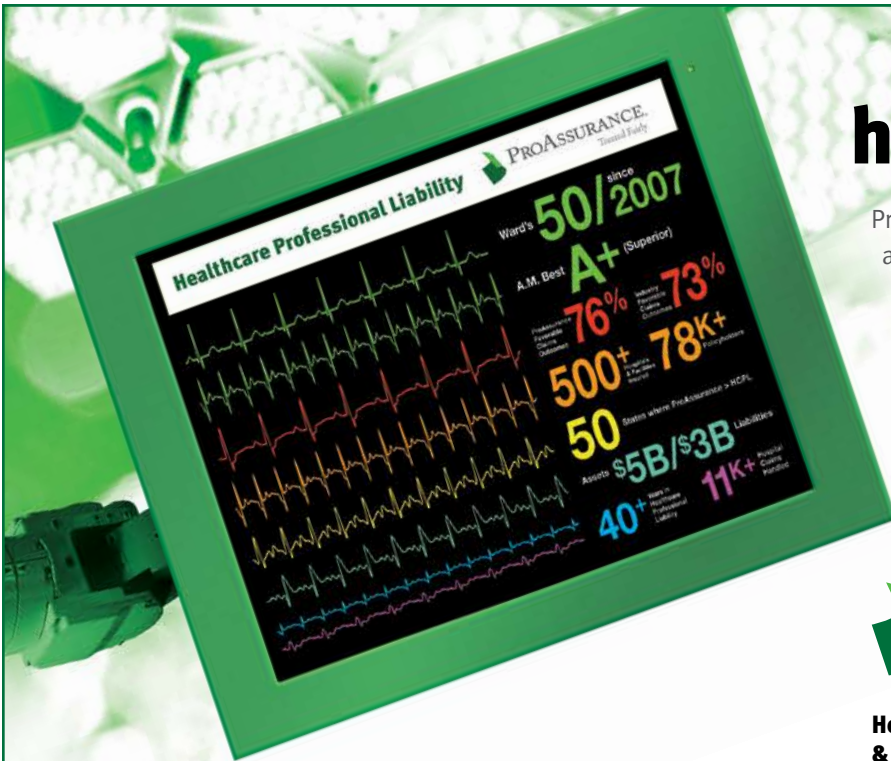
healthy vitals

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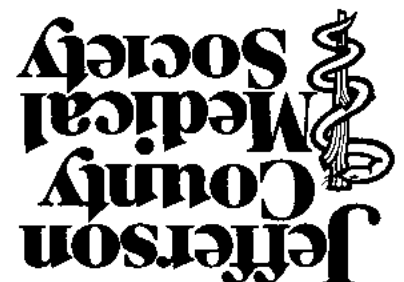


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