

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 499 (Senator Teitelbaum, *et al.*)
Education, Health, and Environmental Affairs

**State Advisory Council on Medical Privacy and Confidentiality - Guidelines for
Patient Privacy and Confidentiality**

This bill requires the State Advisory Council on Medical Privacy and Confidentiality to develop guidelines regarding the rights and responsibilities of Maryland physicians, other medical personnel, hospitals, and health insurers for safeguarding patient privacy and confidentiality under the Health Insurance Portability and Accountability Act (HIPAA) of 1996. By June 30, 2006, the council must submit a report on the guidelines to specified legislative committees.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: None. The bill would not directly affect governmental finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The advisory council must perform specific duties including: (1) advising the General Assembly on emerging issues in the confidentiality of medical records; (2) monitoring developments in federal law and regulations regarding the confidentiality of medical records, health care information technology, telemedicine, and provider and patient communication; (3) studying emerging provider best practices for

supporting patient confidentiality; and (4) submitting an annual report, including recommendations, to the Governor and the General Assembly.

HIPAA requires the federal Department of Health and Human Services to establish national standards for electronic health care transactions and addresses health information security and privacy issues. A federal regulation implementing the HIPAA privacy and security requirements established the “Privacy Rule” which guarantees patients access to their medical records, gives them more control over how their protected health information is used and disclosed, and provides an avenue of recourse if their medical privacy is compromised. Protected health information is any health information that identifies an individual and is maintained or exchanged electronically or in hard copy.

Health care organizations covered by the Privacy Rule are: all health care providers who electronically transmit certain administrative and financial health information; all health plans; and all health care clearinghouses.

Background: The council evaluated the potential impact of HIPAA regulations on those involved in providing and receiving health care services in Maryland in its 2001 report, the most recent report available.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene (*Maryland State Advisory Council on Medical Privacy and Confidentiality Annual Report, 2001*), Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2005
ncs/jr

Analysis by: Lisa A. Daigle

Direct Inquiries to:
(410) 946-5510
(301) 970-5510