

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** SB 1041

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Barker

**3. Committee:** Education and Health

**4. Title:** Notification of breach of medical information

**5. Summary:** The bill extends the requirement to notify individuals of a breach of their medical information to all individuals and private entities and excludes governmental agencies. The bill also allows the Attorney General to impose a civil penalty not to exceed \$150,000 per breach of the security system.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates are:** Minimal. SEE ITEM 8.

**8. Fiscal Implications:** The bill is expected to have negligible fiscal impact. It strikes from the definition of “entity” any governmental bodies in the Commonwealth and replaces them with private entities. This means that governmental entities would no longer be required to comply with the breach of medical information notification requirements. The degree to which such agencies have a breach, this bill relieves them (including any costs associated with such notification) of having to comply with the requirements. Federal law may require such notice, so this fiscal impact is restricted solely to those cases where only state law applies.

There may also be an impact on the Office of the Attorney General (OAG) if he initiates actions against violators of this law. However, the bill does not compel the OAG to bring such action, but leaves the discretion to him. So any impact is expected to be minimal.

**9. Specific Agency or Political Subdivisions Affected:** All that meet the definition of an entity.

**10. Technical Amendment Necessary:** None.

**11. Other Comments:** In lines 24 through 31, the bill strikes government entities from the definition of an entity, therefore resulting in such agencies no longer having to comply with the breach of medical information notification requirements. This is inconsistent with the description of the bill, which indicates the purpose is to add private entities and individuals.

**Date:** 1/19/11

**Document:** G:\GA Sessions\2011 Session\SB1041.Doc  
c: Secretary of Health and Human Resources