
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1020 Session of
2015

INTRODUCED BY McILHINNEY, FONTANA, VANCE, ALLOWAY, TARTAGLIONE,
VULAKOVICH, RAFFERTY, DINNIMAN, BROOKS AND MENSCH,
SEPTEMBER 29, 2015

REFERRED TO BANKING AND INSURANCE, SEPTEMBER 29, 2015

AN ACT

1 Providing for health insurance computerized records security;
2 and imposing a penalty.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Health
7 Insurance Computerized Records Security Act.

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall
10 have the meanings given to them in this section unless the
11 context clearly indicates otherwise:

12 "Computer." An electronic, magnetic, optical,
13 electrochemical or other high speed data processing device or
14 another similar device capable of executing a computer program,
15 including arithmetic, logic, memory, data storage or input-
16 output operations. The term includes computer equipment
17 connected to a device, computer system or computer network.

1 "Computer equipment." Any equipment or device, including all
2 input, output, processing, storage, software or communications
3 facilities, intended to interface with a computer.

4 "Computer network." The interconnection of communication
5 lines, including microwave or other means of electronic
6 communication, with a computer through remote terminals or a
7 complex consisting of two or more interconnected computers.

8 "Computer program." A series of instructions or statements
9 executable on a computer, which directs the computer system to
10 produce a desired result.

11 "Computer software." A set of computer programs, data,
12 procedures and associated documentation involving the operation
13 of a computer system.

14 "Computer system." A set of interconnected computer
15 equipment intended to operate as a cohesive system.

16 "Computerized record." A record which is recorded or
17 preserved on a computer, computer equipment, computer network,
18 computer program, computer software or computer system.

19 "End user computer system." A computer system that is
20 designed to allow end users to access computerized information,
21 computer software, computer programs or computer networks. The
22 term includes a desktop computer, laptop computer, tablet or
23 other mobile device or removable media.

24 "Health benefits plan." A benefits plan which pays or
25 provides hospital and medical expense benefits for covered
26 services and is delivered or issued for delivery in this
27 Commonwealth by or through an insurer. The term includes
28 Medicare supplement coverage and risk contracts to the extent
29 not otherwise prohibited by Federal law. The term does not
30 include the following plans, policies or contracts:

- 1 (1) Fixed indemnity.
- 2 (2) Limited benefit.
- 3 (3) Credit.
- 4 (4) Dental.
- 5 (5) Vision.
- 6 (6) Specified disease.
- 7 (7) Medicare supplemental.
- 8 (8) Civilian Health and Medical Program of the Uniformed
- 9 Services (CHAMPUS) supplement.
- 10 (9) Long-term care.
- 11 (10) Disability income.
- 12 (11) Workers' compensation.
- 13 (12) Automobile medical payment.

14 "Identifiable health information." Individually identifiable
15 health information as defined in 45 CFR 160.103 (relating to
16 definitions).

17 "Insurer." An entity subject to any of the following:

18 (1) The act of May 17, 1921 (P.L.682, No.284), known as
19 The Insurance Company Law of 1921, including a society as
20 defined in section 2402 of the Insurance Company Law of 1921.

21 (2) The act of December 29, 1972 (P.L.1701, No.364),
22 known as the Health Maintenance Organization Act.

23 (3) 40 Pa.C.S. Ch. 61 (relating to hospital plan
24 corporations) or 63 (relating to professional health services
25 plan corporations).

26 "Personal information." An individual's first name or first
27 initial and last name linked with one or more of the following
28 data elements:

29 (1) Social Security number.

30 (2) Driver's license number or State identification card

1 number.

2 (3) Address.

3 (4) Identifiable health information.

4 The term includes dissociated data that, if linked, would
5 constitute personal information if the means to link the
6 dissociated data were accessed in connection with access to the
7 dissociated data.

8 "Public network." A network to which anyone, including the
9 general public, has access and through which a person can
10 connect to other networks or the Internet.

11 "Record." Any material, regardless of the physical form, on
12 which information is recorded or preserved by any means,
13 including written or spoken words, graphically depicted,
14 printed, or electromagnetically transmitted. The term does not
15 include publicly available directories containing information an
16 individual has voluntarily consented to have publicly
17 disseminated or listed.

18 Section 3. Security.

19 An insurer that offers, issues or renews a health benefits
20 plan in this Commonwealth may not compile or maintain
21 computerized records that include personal information, unless
22 the information is secured by encryption or by any other method
23 of technology rendering the information unreadable,
24 undecipherable or otherwise unusable by an unauthorized person.
25 Compliance with this section requires more than the use of a
26 password protection computer program which only prevents general
27 unauthorized access to the personal information.

28 Section 4. Penalty.

29 Upon satisfactory evidence of a violation of this act by an
30 insurer, the Insurance Commissioner may impose a fine of not

1 more than \$10,000 for a first violation of this act and a fine
2 of not more than \$20,000 for a second or subsequent violation of
3 this act.

4 Section 5. Applicability.

5 This act shall apply only to end user computer systems and
6 computerized records transmitted across public networks.

7 Section 6. Effective date.

8 This act shall take effect in 180 days.