Increase in Civil Monetary Penalties for Violations of HIPAA

September 13, 2024

RELATED PRACTICES Employee Benefits and Executive Compensation

HHS recently issued a final rule (the "***HHS Rule***"), which sets out the inflation-adjusted civil monetary penalty ("***CMP***") amounts that HHS is authorized to assess for violations of HIPAA. The following adjusted CMP amounts are applicable to certain types of violations that occur after November 2, 2015, for which CMPs are assessed on or after August 8, 2024:

		Prior Amount	**Adjusted Amount**
Violations under a "did not know/would not have known through exercising reasonable diligence" standard	Minimum:	$137	$141
	Maximum:	$68,928	$71,162
	Calendar Year Cap:	$2,067,813	$2,134,831
Violations under a "reasonable cause/not willful neglect" standard	Minimum:	$1,379	$1,424
	Maximum:	$68,928	$71,162
	Calendar Year Cap:	$2,067,813	$2,134,831
Violations under a "willful neglect" standard, with timely correction	Minimum:	$13,785	$14,232
	Maximum:	$68,928	$71,162
	Calendar Year Cap:	$2,067,813	$2,134,831
Violations under a "willful neglect" standard, with untimely correction	Minimum:	$68,928	$71,162
	Maximum:	$2,067,813	$2,134,831
	Calendar Year Cap:	$2,067,813	$2,134,831

These monetary penalties can be significant. Plan sponsors are advised to assess the compliance of their group health plans with the HIPAA requirements and to take any required remedial action before penalties are assessed for a violation.

The HHS Rule is available here.

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