



NEWS RELEASE

Attorney General Mike Hilgers

FOR IMMEDIATE RELEASE

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Attorney General Hilgers Announces Multistate Settlement with Healthcare Clearinghouse Inmediata for Data Breach Impacting 1.5 Million Consumers

Attorney General Hilgers announced today that Nebraska, along with 32 other attorneys general, has reached a settlement with healthcare clearinghouse Inmediata for a coding issue that exposed the protected health information (“PHI”) of approximately 1.5 million consumers for almost three years. Under the settlement, Inmediata has agreed to overhaul its data security and breach notification practices and make a \$1.4 million payment to states. Nebraska will receive \$16,578 from the settlement.

As a healthcare clearinghouse, Inmediata facilitates transactions between healthcare providers and insurers across the United States. On January 15, 2019, the U.S. Department of Health & Human Services’ Office of Civil Rights alerted Inmediata that PHI maintained by Inmediata was available online and had been indexed by search engines. As a result, sensitive patient information could be viewed through online searches and potentially downloaded by anyone with access to an internet search engine.

Although Inmediata was alerted to the breach on January 15, 2019, Inmediata delayed notification to impacted consumers for over three months and sent misaddressed notices. Further, the notices were far from clear—many consumers complained that without sufficient details or context, they had no idea why Inmediata had their data, which may have caused recipients to dismiss the notices as illegitimate.

Today’s settlement resolves allegations of the attorneys general that Inmediata violated state consumer protection laws, breach notification laws, and HIPAA by failing to implement reasonable data security, including failing to conduct a secure code review at any point prior to the breach, and then failing to provide affected consumers with timely and complete information regarding the breach, as required by law.

Under the settlement, Inmediata has agreed to strengthen its data security and breach notification practices going forward, including implementation of a comprehensive information security program with specific security requirements,

including code review and crawling controls, development of an incident response plan including specific policies and procedures regarding consumer notification letters, and annual third-party security assessments for five years.

The multistate investigation was led by Indiana, assisted by the Executive Committee consisting of Connecticut, Michigan, and Tennessee, and joined by Alabama, Arizona, Arkansas, Colorado, Delaware, Georgia, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Mississippi, Montana, New Hampshire, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Utah, Washington, West Virginia, and Wisconsin.

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