

THE ADVISOR

MONTHLY COMPLIANCE COMMUNICATOR

Securing Healthcare: The Crucial Role of Cyber Insurance

Safeguarding patient data is paramount amidst the looming danger of cyber threats. The necessity of cyber insurance has never been clearer, as its presence or absence can significantly impact the resilience of healthcare providers. Let's explore the benefits of cyber insurance, the risks faced by those without it, and the effects it has on those handling a cyber incident.

Benefits of Cyber Insurance

Cyber insurance serves as a financial shield against the staggering costs of cyberattacks. Covering expenses such as forensic investigations, legal fees, notification costs, and credit monitoring, it enables healthcare providers to weather data breaches without bearing the full financial burden. Policies may also extend to cover losses from business interruption and ransomware demands, providing critical support during challenging times.

Compliance with data protection regulations is essential in healthcare. Cyber insurance often includes coverage for regulatory fines and penalties, ensuring organizations can meet their obligations under laws like HIPAA without suffering substantial financial consequences. This compliance support not only protects the organization but also fosters trust among patients and regulatory bodies.

Cyber insurance providers offer invaluable assistance in risk management, helping healthcare organizations proactively identify and address security gaps. By strengthening their defenses and implementing robust incident response plans, organizations can reduce the likelihood of cyber incidents and minimize their impact when they occur.

In the aftermath of a cyber incident, reputation is everything. Cyber insurance covers the costs of public relations efforts and crisis management strategies, enabling organizations to navigate reputation preservation with confidence. Transparent communication and swift action demonstrate accountability, safeguarding the organization's reputation during crises.

Newsletter Content

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It's Your Call

Introducing Our New Service: Exclusion Screening for Healthcare Compliance

Risks of Not Having Cyber Insurance

Without cyber insurance, healthcare organizations are vulnerable to significant financial losses in the event of a cyber incident. From regulatory fines to the costs of data breach response and recovery, the absence of insurance coverage can have long-term repercussions for patient care and organizational viability.

Cyber incidents can result in severe penalties, legal consequences, and reputational damage, undermining patient trust and intensifying scrutiny from governing bodies.

Without the support of cyber insurance providers, healthcare organizations may struggle to allocate sufficient resources to cybersecurity initiatives, leaving them vulnerable to exploitation by cybercriminals.

In the absence of cyber insurance, healthcare organizations may lack the resources and expertise to effectively manage the fallout of a cyber incident, leading to erosion of patient trust and reputational harm.

Effects on Those Handling a Cyber Incident

In the aftermath of a cyber incident, individuals tasked with crisis management experience heightened stress, burnout, and diminished morale. Cyber insurance can alleviate some of this burden by providing clear guidelines and financial support for response efforts.

Without insurance coverage, the weight of the situation falls squarely on the shoulders of those involved, prolonging the recovery process, and amplifying the impact on the organization and its stakeholders.

The importance of cyber insurance in healthcare cannot be overstated. It offers comprehensive benefits beyond financial protection, including compliance assurance, risk management support, and reputation preservation. Conversely, the risks of lacking cyber insurance are significant, ranging from financial exposure to reputational damage and regulatory penalties. Proactive risk management and adequate insurance coverage are crucial in navigating the complexities of the digital age with confidence and clarity.

It's Your Call – April 2024

HIPAA: As a small provider practice, can we afford cyber insurance?

Investing in cyber insurance is crucial for small provider practices facing the growing threat of cyberattacks. While the cost may vary depending on factors like coverage level and practice size, the expense of cyber insurance is often far outweighed by the potential financial losses from a data breach. Additionally, some insurance providers offer tailored packages for small practices, making coverage more affordable. Ultimately, the protection and peace of mind provided by cyber insurance can safeguard your practice's financial stability and reputation in the event of a cyber incident.

OSHA: What are the rules about cleaning and disinfecting non-critical items such as bed tables and patient chairs?

The CDC's guidance for isolation precautions considers bed tables and patient chairs as semi-critical items, and these should be cleaned and disinfected while donned with the appropriate personal protective equipment. Surfaces that are frequently touched and within proximity to the patient are likely to be contaminated, and certain bloodborne pathogens can survive on inanimate objects for longer periods of time. OSHA requires that contaminated surfaces be disinfected to protect workers from blood and other potentially infectious material. More information can be found at <https://www.cdc.gov/infectioncontrol/guidelines/disinfection/healthcare-equipment.html>.

Introducing Our New Service: Exclusion Screening for Healthcare Compliance

As healthcare providers navigate the complex web of rules and regulations in compliance, one aspect that needs more attention is exclusion screening of those working with federally funded healthcare programs. We're excited to announce the launch of our new service, Exclusion Screening, that will assist healthcare organizations in adherence to requirements such as the initial screening of potential employees/contractors and monthly screening of current employees/contractors.

Understanding Exclusion Screening

Exclusion screening is the process of verifying that current or potential employee/contractor are not classified as an excluded individual or entity who is prohibited from participation in any Federal health care program. These programs are governed by regulations outlined in sections 1128 and 1156 of the Social Security Act, with oversight by the Office of Inspector General (OIG).

The OIG is authorized to exclude individuals and entities from federally funded healthcare programs. To uphold compliance standards, employers are required to conduct screenings for all new employees before extending offers of employment. Additionally, monthly screenings must be completed to align with the OIG's monthly release of newly excluded individuals or entities.

Implications for Healthcare Practices

Anyone who hires an excluded individual or works with an excluded entity may be subject to civil monetary penalties, as such Total Medical Compliance's solution will allow you to screen all new employees before an offer of employment is made or prior to entering into a contract with a Business Associate, as well as automate monthly screenings per the OIG's monthly release of newly excluded individuals or entities.

Non-compliance with these requirements could result in financial penalties and jeopardize participation in Federal healthcare programs. Furthermore, per the OIG, no payments will be made for any items or services furnished by excluded parties, which includes Medicare/Medicaid and all other Federal health benefit programs.

Our Comprehensive Screening Process

At Total Medical Compliance, we understand the importance of OIG's thorough screening. Our service checks all relevant databases, including:

- LEIE – List of Excluded Individuals and Entities
- SAM – System for Award Management
- 44 State Databases

This approach ensures that no excluded individual or entity slips through the cracks, safeguarding healthcare practices from financial penalties and maintaining program eligibility.

Differentiating Mandatory and Permissive Exclusions

The OIG has two different exclusions, mandatory and permissive – here's how to differentiate between them:

- Mandatory exclusions are required by law and encompass individuals/entities convicted of specific criminal offenses related to healthcare fraud, patient abuse, felony convictions, and controlled substance violations.
- Permissive exclusions grant OIG discretion to exclude individuals/entities based on various grounds, including misdemeanors related to healthcare fraud, submission of false claims, and engaging in unlawful kickback arrangements.

The duration of exclusion varies based on the type of offense:

- Mandatory exclusions entail a minimum of 5 years on the exclusion list.
- Permissive exclusions typically range from 0 to 3 years.

Ensuring Compliance, Mitigating Risks

Our new Exclusion Screening service lets healthcare practices easily navigate the regulatory landscape associated with employees/contractors with confidence. We help organizations mitigate risks, uphold compliance standards, and maintain the integrity of Federal healthcare programs.

Compliance with exclusion screening requirements is not just a regulatory obligation; it's a fundamental step towards ensuring ethical conduct and preserving the trust of patients and stakeholders. [Request a free quote](#) for our exclusions screening services or [watch a video](#) demonstration of what it entails.

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Instructions

Print and post newsletter in office for staff review. Each member should sign this form when completed. Keep on file as proof of training on these topics.

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Need to contact us? Scan the QR code for all the ways to get in touch!