



Quality is Our Bottom Line

**General Law Committee
Public Hearing
Tuesday, March 6, 2012**

**Connecticut Association of Health Plans
Testimony in Opposition to**

SB 315 AA Prohibiting the Unnecessary Collection of Social Security Numbers

The Connecticut Association of Health Plans comprised of Aetna, Anthem, CIGNA, Connecticut, UnitedHealthcare and Wellcare of Connecticut, respectfully urges the Committee's rejection of SB 315 AA Prohibiting the Unnecessary Collection of Social Security Numbers.

We in the insurance industry, like all businesses covered by the bill, take our responsibility to secure and protect our members' sensitive data very seriously. While many of the businesses subject to the bill are subject to privacy protections contained within the Gramm-Leach-Bliley Financial Modernization Act of 1999, we in the health insurance industry and those in the health care delivery system, are also mandated to do so under the U.S. Department of Health and Human Services' Privacy Rule to implement the Health Insurance Portability and Accountability Act of 1996, commonly referred to as HIPAA. Under the Privacy Rule, covered entities such as health insurers, are permitted to use and disclose "individually identifiable health information" which includes an individual's birth date and Social Security number, only to that individual or for the purposes of treatment, payment and health care operations, all occasions for which are strictly defined under 45 C.F.R. Section 160.103. Health care providers, state and federal governmental agencies and insurers use social security numbers as a means to ensure that the individual in question is who he professes to be. In fact, under Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007, insurers are required to report eligibility information on certain individuals to CMS that has been articulated through implementation meetings and other material to require the collection and reporting of social security numbers for individuals that fall within their specified criteria. Should SB 315 be passed into law, the impact on the delivery of health care, from the provider that treats the patient, to the payer community that pays for the claim associated with that care, will be significant and impair the industry's ability to be compliant with state and federal requirements.

The Connecticut General Assembly has already gone to great lengths with the adoption of C.G.S. Sec. 42-470 (attached), to curtail the use and disclosure of Social Security numbers. We respectfully submit that the broad applicability proposed under SB 315 would do more harm than good given the unintended consequences and we would urge the Committee to take no action on the proposal under consideration. Safeguarding access to personal identifying information is an important and laudable goal and Connecticut should be proud of the legislation already in statute.

Thank you for your consideration.

Sec. 42-470. Restriction on posting, display, transmission and use of Social Security numbers. Exceptions. Penalties. (a) For the purposes of this section, "person" means any individual, firm, partnership, association, corporation, limited liability company, organization or other entity, but does not include the state or any political subdivision of the state, or any agency thereof.

(b) Except as provided in subsection (c) of this section, no person shall:

(1) Publicly post or publicly display in any manner an individual's Social Security number. For the purposes of this subdivision, "publicly post" or "publicly display" means to intentionally communicate or otherwise make available to the general public;

(2) Print an individual's Social Security number on any card required for the individual to access products or services provided by such person;

(3) Require an individual to transmit such individual's Social Security number over the Internet, unless the connection is secure or the Social Security number is encrypted; or

(4) Require an individual to use such individual's Social Security number to access an Internet web site, unless a password or unique personal identification number or other authentication device is also required to access the Internet web site.

(c) The provisions of subsection (b) of this section shall apply with respect to group and individual health insurance policies providing coverage of the type specified in subdivisions (1), (2), (4), (6), (10) and (12) of section 38a-469 that are delivered, issued for delivery, amended, renewed or continued on and after July 1, 2005.

(d) This section does not prevent the collection, use or release of a Social Security number as required by state or federal law or the use of a Social Security number for internal verification or administrative purposes.

(e) Any person who wilfully violates the provisions of subsection (b) of this section shall be fined not more than one hundred dollars for a first offense and not more than five hundred dollars for a second offense, and shall be fined not more than one thousand dollars or be imprisoned not more than six months, or both, for each subsequent offense.

(f) Any person who wilfully violates the provisions of subsection (b) of this section shall be subject to a civil penalty of five hundred dollars for each such violation, provided such civil penalty shall not exceed five hundred thousand dollars for any single event.

(g) All civil penalties received pursuant to subsection (f) of this section shall be deposited into the privacy protection guaranty and enforcement account established under section 42-472a.

(P.A. 03-156, S. 13; P.A. 09-239, S. 14.)

History: P.A. 09-239 removed "on and after January 1, 2005," in Subsec. (b), added Subsec. (f) re civil penalty and added Subsec. (g) re deposit of civil penalties into privacy protection guaranty and enforcement account.

Sec. 42-471. Safeguarding of personal information. Social Security numbers. Privacy protection policy. Civil penalty. (a) Any person in possession of personal information of another person shall safeguard the data, computer files and documents containing the information from misuse by third parties, and shall destroy, erase or make unreadable such data, computer files and documents prior to disposal.

(b) Any person who collects Social Security numbers in the course of business shall create a privacy protection policy which shall be published or publicly displayed. For purposes of this subsection, "publicly displayed" includes, but is not limited to, posting on an Internet web page. Such policy shall: (1) Protect the confidentiality of Social Security numbers, (2) prohibit unlawful disclosure of Social Security numbers, and (3) limit access to Social Security numbers.

(c) As used in this section, "personal information" means information capable of being associated with a particular individual through one or more identifiers, including, but not limited to, a Social Security number, a driver's license number, a state identification card number, an account number, a credit or debit card number, a passport number, an alien registration number or a health insurance identification number, and does not include publicly available information that is lawfully made available to the general public from federal, state or local government records or widely distributed media.

(d) For persons who hold a license, registration or certificate issued by, or a charter subject to the supervision of, a state agency other than the Department of Consumer Protection, this section shall be enforceable only by such other state agency pursuant to such other state agency's existing statutory and regulatory authority.

(e) Any person or entity that violates the provisions of this section shall be subject to a civil penalty of five hundred dollars for each violation, provided such civil penalty shall not exceed five hundred thousand dollars for any single event. It shall not be a violation of this section if such violation was unintentional.

(f) The provisions of this section shall not apply to any agency or political subdivision of the state.

(g) If a financial institution has adopted safeguards that comply with the standards established pursuant to Section 501(b) of the Gramm-Leach-Bliley Act of 1999, 15 USC 6801, then such compliance shall constitute compliance with the provisions of this section.

(h) Any civil penalties received pursuant to this section shall be deposited into the privacy protection guaranty and enforcement account established pursuant to section 42-472a.

(P.A. 08-167, S. 1; P.A. 09-71, S. 1; 09-239, S. 13.)

History: P.A. 09-71 amended Subsec. (d) by adding "or a charter subject to the supervision of", deleted former Subsec. (g) re civil penalties and added new Subsec. (g) re safeguards that comply with Gramm-Leach-Bliley Act; P.A. 09-239 added Subsec. (h) re deposit of civil penalties into privacy protection guaranty and enforcement account, effective July 9, 2009.