

Hawthorn Solution

Our Promise: Maximum Security

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Problems Continue for Victims of Data Breach

AMCA files for Chapter 11; Quest and LabCorp named in class action lawsuits

A data breach at American Medical Collections Agency (AMCA), first discovered internally in March of 2019, has resulted in a Chapter 11 filing by Retrieval-Masters Creditors Bureau, the parent company of AMCA.

In court documents filed in June 2019, the company referred to a “cascade of events” and “enormous expenses” following the discovery of the data breach. The ongoing hack was enacted over a period of months between August 2018 and March 2019, and was first reported publicly to the Securities and Exchange Commission in June 2019 by Quest and LabCorp, AMCA’s two largest customers. Nearly 20 million patients of Quest and LabCorp had their information compromised by the breach, and both companies have suspended business with AMCA.

Other customers of AMCA have since come forward, using press releases to announce their roles in the ordeal, and to estimate the number of patients affected. Customers of AMCA in this category would include American Esoteric Laboratories, CBLPath, Penobscot Community Health Center, Laboratory of Dermatopathology ADX (LDA), BioReference Laboratories, and Natera. In addition to Quest and LabCorp, AMCA said in its filing that Conduent and CareCentrix were among its four largest customers.

According to AMCA, hackers gained access to the payment page on its website, resulting in the disclosure of sensitive patient information, including names, addresses, phone numbers, Social Security numbers, provider names, balance information, bank account information, and credit card information.

As AMCA continues its recovery, it is facing expenses from lost business, pending lawsuits and potential fines. Quest, LabCorp and BioReference will experience continuing fallout, because class action lawsuits filed on behalf of victims are also claiming negligence by the labs. Only a fraction of patients affected have been notified, so the numbers of claimants in class action lawsuits will continue to expand.

Further, AMCA and its customers are being investigated by various state attorneys general and federal agencies. The Department of Health and Human Services (HSS) may investigate violations of the Health Insurance Portability and Accountability Act (HIPAA), which requires that patients must be notified within 60 days after the discovery of a data breach. Online sources have noted that AMCA and other companies did not notify patients within 60 days, and a large number of patients have still not been notified.

Hawthorn Physician Services invests in data security to protect your sensitive information. Maximum Security is one of the promises of the Hawthorn Advantage. We have a record of 100% success in preserving confidentiality. Please visit www.hawthorngrp.com to learn more.



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