# Healthcare Breach Report 2021

## Hacking and IT Incidents on the Rise

bitglass

The vast majority of healthcare organizations process and store protected health information (PHI) such as Social Security numbers, medical history, and other personal data. Unquestionably, this draws the attention of malicious entities that can compromise sensitive data and use it for monetary gain. In Bitglass' annual Healthcare Breach Report, we analyze data from the U.S. Department of Health and Human Services' "Wall of Shame" to gauge the severity of each year's breaches. These breaches are broken into the following, mutually exclusive categories:

**Hacking and IT Incidents:** Breaches related to malicious hackers and improper IT security--cybersecurity debacles stemming from external parties.

**Unauthorized Disclosure:** All unauthorized sharing of PHI by internal parties or systems.

**Loss or Theft:** Breaches enabled by the loss or theft of endpoint devices.

**Other:** Miscellaneous breaches and leaks related to items like improper disposal of documents.

With the rapid acceleration of cloud, bring your own device (BYOD), and remote work adoption due to the global pandemic, 2020 looked significantly different than any other year in history. What kind of impacts did these changes have? Read on to learn the state of cybersecurity for healthcare organizations in 2020.

# Key Findings

The count of healthcare breaches reached 599 in 2020, a 55.1% increase since 2019 (386).

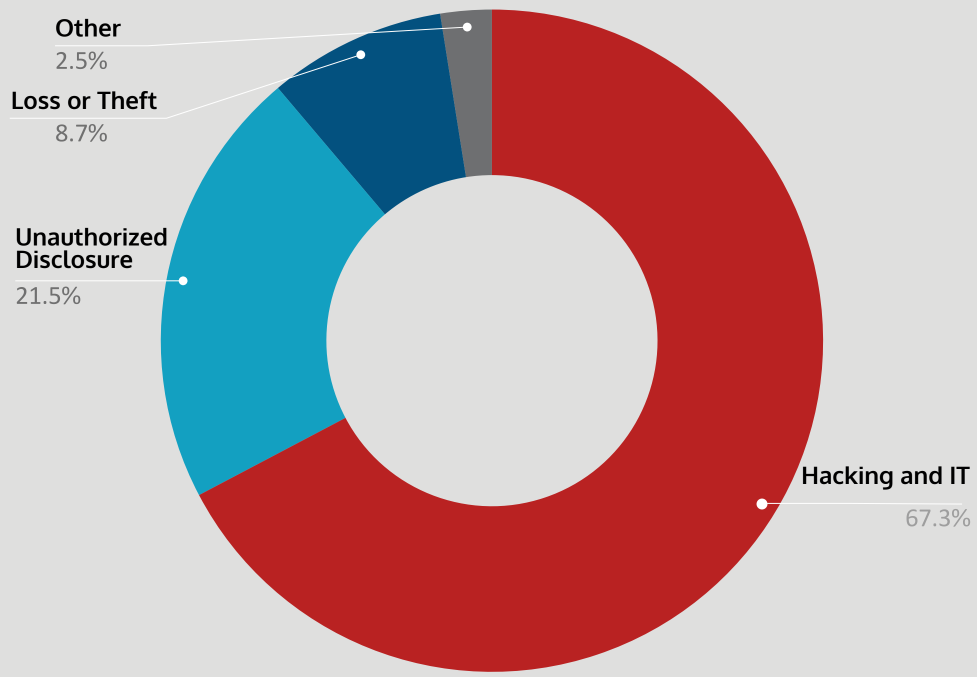
Hacking and IT incidents were the top breach causes in healthcare in 2020, leading to 67.3% of compromises.

The average cost per breached record increased from $429 in 2019 to $499 in 2020.

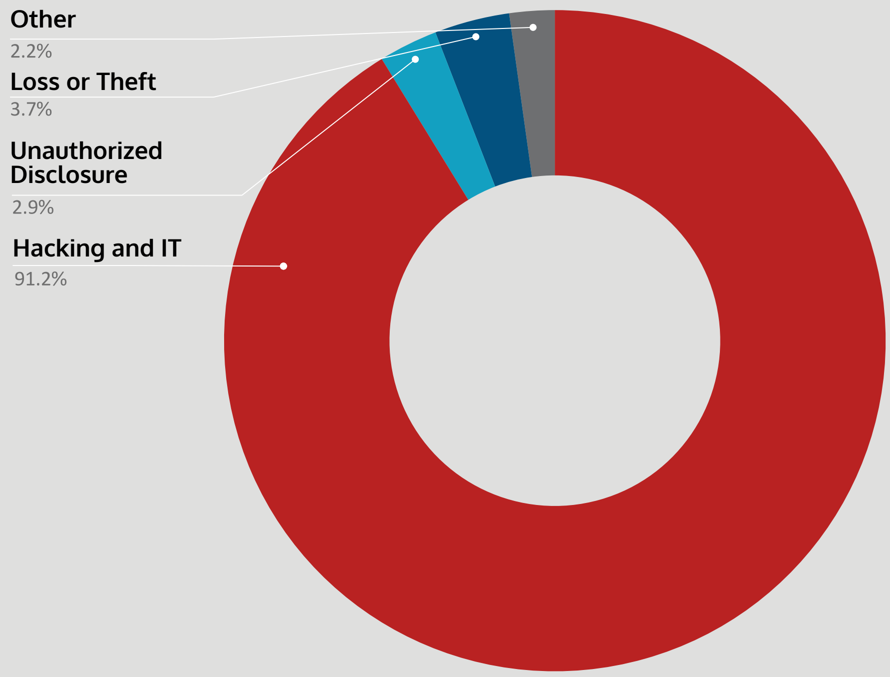
In 2020, the average healthcare firm took about 236 days to recover from a breach.

# 2020 at a Glance

## Breach Causes

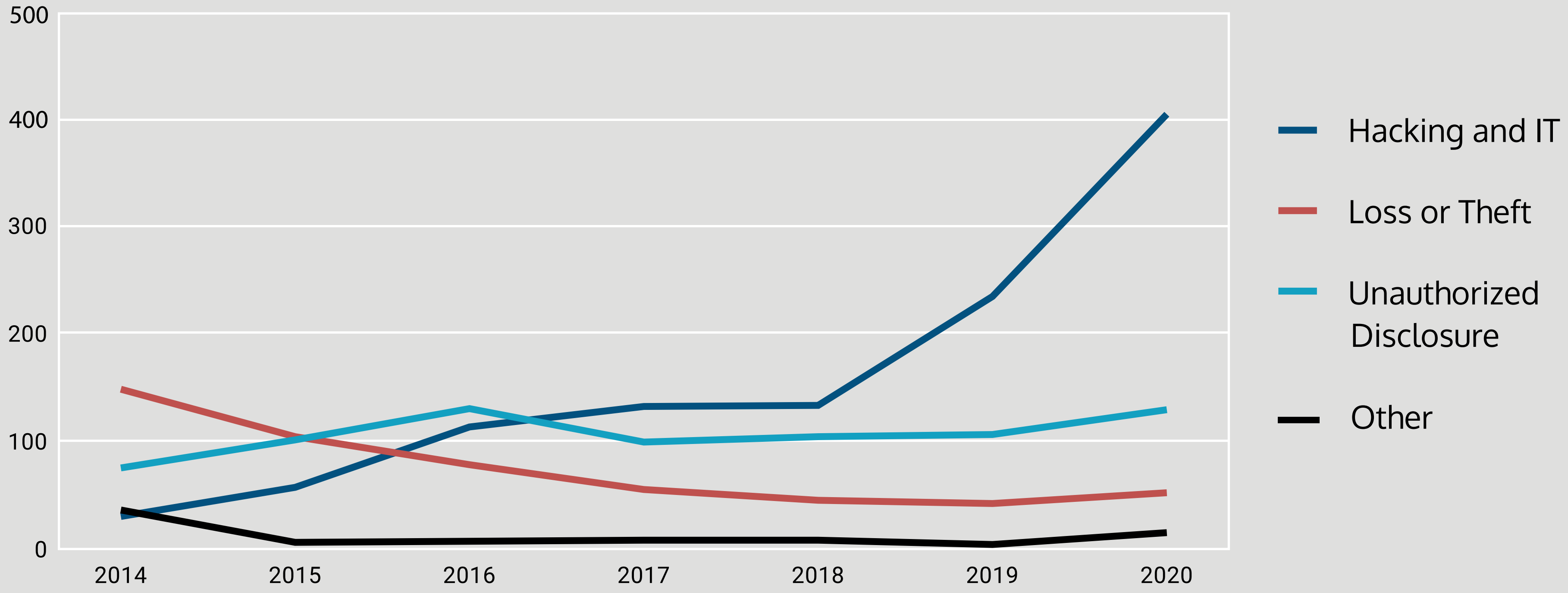


## Individuals Affected



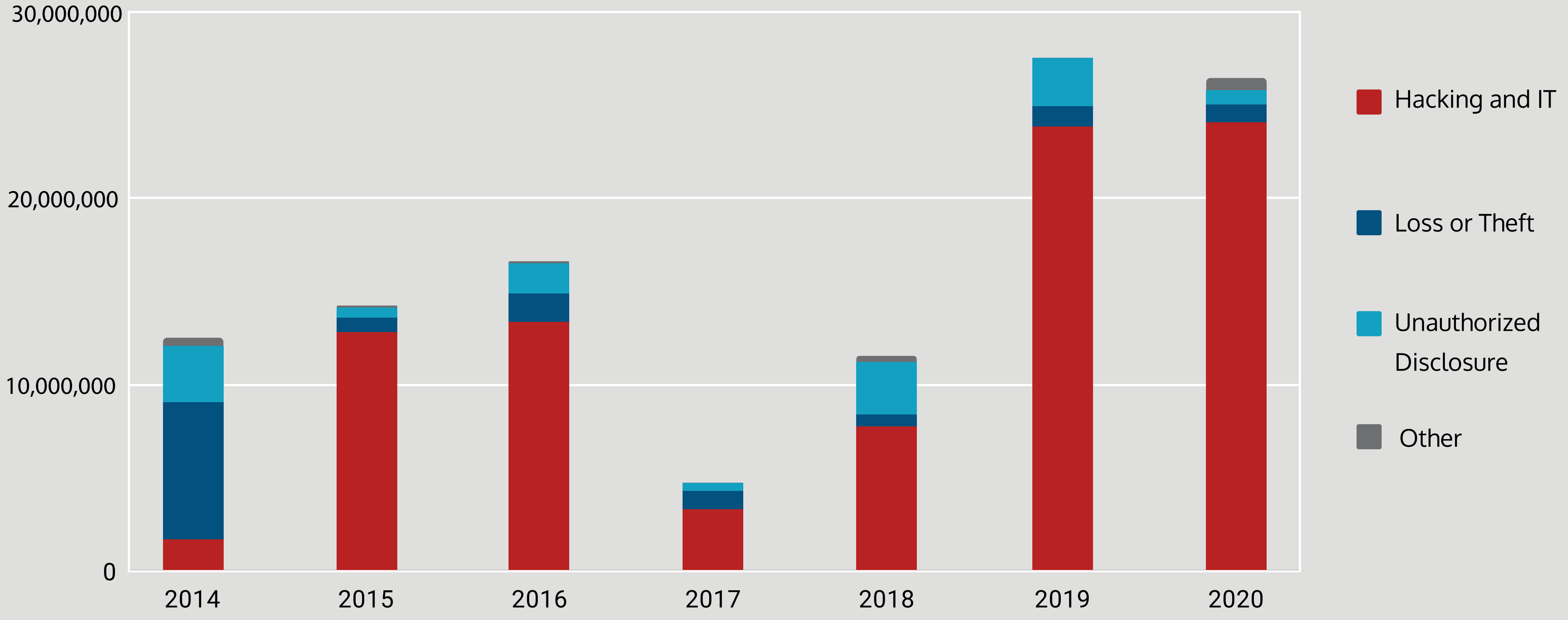
This year, hacking and IT incidents led to 67.3% of all healthcare breaches--more than three times that of the next highest category. Additionally, breaches caused by hacking and IT incidents exposed 91.2% of all breached records in healthcare in 2020--24.1 million out of 26.4 million. These results demonstrate the heightened impact of cybersecurity breaches, the shifting strategies of malicious actors, as well as how healthcare organizations are grappling with cybersecurity in today's dynamic, cloud-first world. The remaining categories, although small in percentage, still exposed about 2.3 million people, rendering them susceptible to identity theft, phishing, and other forms of cyberattacks.

# Breach Causes Year Over Year



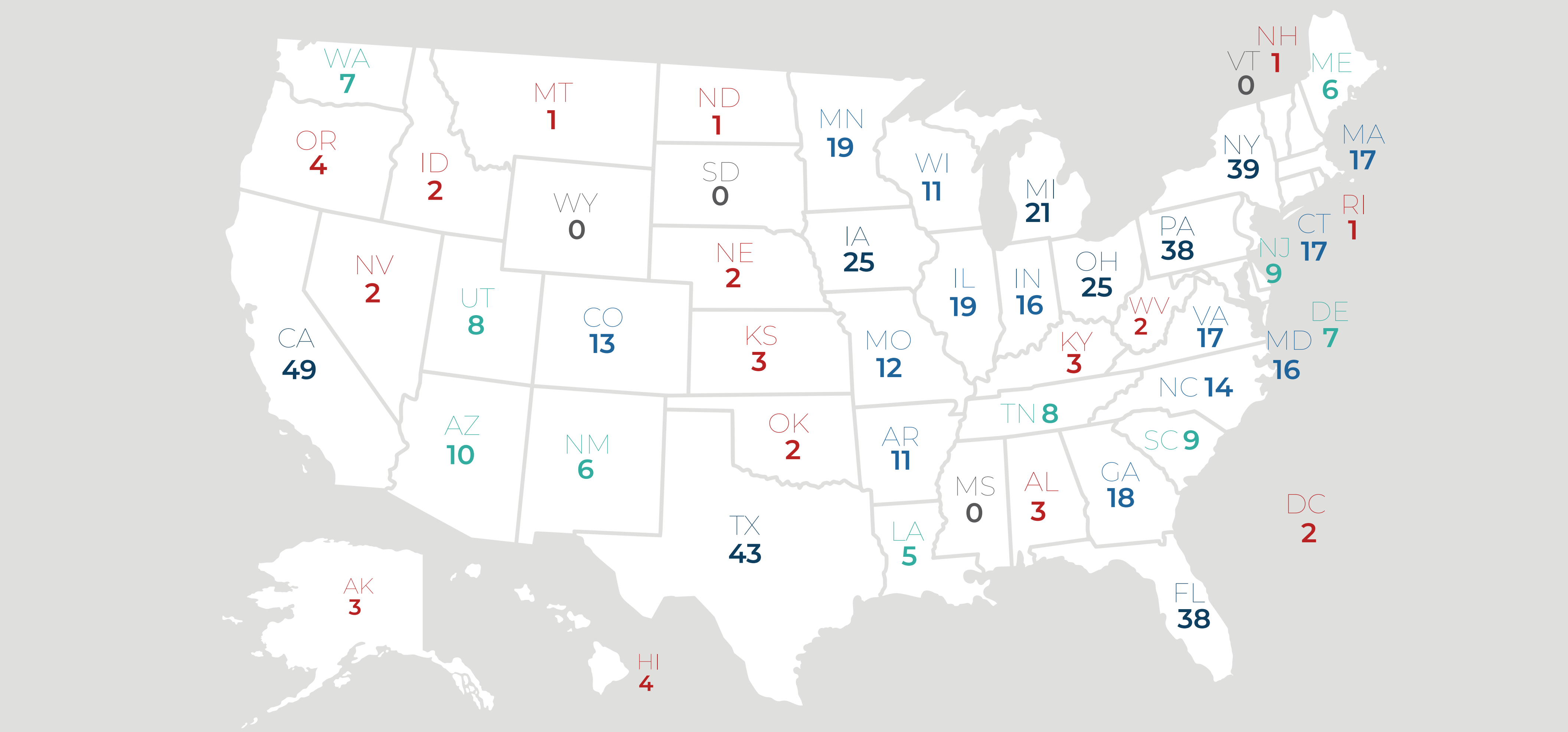
In 2014, lost and stolen devices were the leading causes of security breaches in healthcare, while hacking and IT incidents were the least common causes. Today, things have essentially inverted. Hacking and IT incidents are now the primary forces behind healthcare breaches--as they have been each year since 2017. As organizations continue to embrace cloud migration and digital transformation, healthcare organizations must leverage the proper tools and strategies to successfully protect patient records and respond to the growing volume of threats to their IT ecosystems.

# Individuals Affected Year Over Year



Each year since 2015, hacking and IT incidents have been exposing more records than any other breach type. Additionally, the scales of these incidents have been increasing each year since 2018, suggesting that organizations are increasingly leaning on their IT resources, and criminals have been increasingly targeting them. With over 24 million individuals affected, organizations must equip themselves with modern tools capable of preventing hacking and IT incidents and stopping data leakage. This is particularly true now that most organizations have shifted at least in part to a remote style of operations.

# Breaches by State



This year, there were 49 healthcare breaches in California, which was more than that of any other state and surpassed last year's leader, Texas, which suffered 43 breaches in 2020. Michigan had the highest count of individuals affected, but this was primarily due to the Trinity Health breach, which impacted 3.3 million victims on its own. Overall (and in keeping with prior years), states with denser populations suffered more breaches. This year, breach numbers were up across the board, with 37 out of 50 states suffering more breaches than they did in 2019.

# The Cost of a Breach in 2020

According to Ponemon, the average cost of a breach in healthcare remained higher than that of every other industry in 2020, and increased 10.5% since 2019. Likewise, the cost per breached record also increased, rising from $429 to $499 this year (a 16.3% increase). On average, healthcare firms take the longest to identify breaches, at about 96 days, and take the longest to recover from them, at about 236 days.

Year over year changes can be seen below, with total healthcare breach costs calculated by multiplying the cost per breached record each year by the number of breached records each year. As the data shows, billions of dollars are being wasted annually due to either cybersecurity negligence or the use of legacy tools that are incapable of securing data in modern work environments. To address this challenge, healthcare firms should turn to comprehensive platforms designed to secure any interaction between any devices, apps, web destinations, on-premises resources, or infrastructure.

# Appendix

| Individuals Affected | 2014 | 2015* | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| Hacking and IT | 1,677,469 | 12,812,172 | 13,426,813 | 3,348,321 | 7,719,964 | 23,862,875 | 24,117,842 |
| Loss or Theft | 7,380,580 | 798,829 | 1,462,403 | 946,037 | 705,528 | 1,108,123 | 970,461 |
| Unauthorized Disclosure | 3,027,697 | 573,752 | 1,641,006 | 399,893 | 2,760,037 | 2,542,390 | 763,049 |
| Other | 477,041 | 82,421 | 125,730 | 27,593 | 338,738 | 12,677 | 584,479 |
| **Total** | **12,562,787** | **14,267,174** | **16,655,952** | **4,721,844** | **11,524,267** | **27,526,065** | **26,435,831** |

| Breach Count | 2014 | 2015* | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| Hacking and IT | 30 | 57 | 113 | 132 | 133 | 234 | 403 |
| Loss or Theft | 148 | 104 | 78 | 55 | 45 | 42 | 52 |
| Unauthorized Disclosure | 75 | 101 | 130 | 99 | 104 | 106 | 129 |
| Other | 36 | 6 | 7 | 8 | 8 | 4 | 15 |
| **Total** | **289** | **268** | **328** | **294** | **290** | **386** | **599** |

*Excludes outlier mega-breaches for 2015 that affected approximately 90M individuals

## About Bitglass

Bitglass' Total Cloud Security Platform is the only secure access service edge offering that combines a Gartner-MQ-Leading cloud access security broker, the world's only on-device secure web gateway, and zero trust network access to secure any interaction. Its Polyscale Architecture boasts an industry-leading uptime of 99.99% and delivers unrivaled performance and real-time scalability to any location in the world. Based in Silicon Valley with offices worldwide, the company is backed by Tier 1 investors and was founded in 2013 by a team of industry veterans with a proven track record of innovation and execution.

For more information, visit
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