ESHB 1155 - S AMD 270 By Senator Dhingra

## ADOPTED AS AMENDED 04/05/2023

1 Strike everything after the enacting clause and insert the 2 following:

3 "<u>NEW SECTION.</u> Sec. 1. This act may be known and cited as the 4 Washington my health my data act.

5 NEW SECTION. Sec. 2. (1) The legislature finds that the people 6 of Washington regard their privacy as a fundamental right and an essential element of their individual freedom. 7 Washington's Constitution explicitly provides the right to privacy. Fundamental 8 privacy rights have long been and continue to be integral to 9 10 protecting Washingtonians safequarding and to our democratic 11 republic.

(2) Information related to an individual's health conditions or 12 attempts to obtain health care services is among the most personal 13 and sensitive categories of data collected. Washingtonians expect 14 15 that their health data is protected under laws like the health 16 information portability and accountability act (HIPAA). However, 17 HIPAA only covers health data collected by specific health care entities, including most health care providers. Health data collected 18 19 by noncovered entities, including certain apps and websites, are not 20 afforded the same protections. This act works to close the gap 21 between consumer knowledge and industry practice by providing 22 stronger privacy protections for all Washington consumers' health 23 data.

24 (3) With this act, the legislature intends to provide heightened 25 protections for Washingtonian's health data by: Requiring additional 26 disclosures and consumer consent regarding the collection, sharing, 27 and use of such information; empowering consumers with the right to have their health data deleted; prohibiting the selling of consumer 28 health data without valid authorization signed by the consumer; and 29 30 making it unlawful to utilize a geofence around a facility that 31 provides health care services.

<u>NEW SECTION.</u> Sec. 3. The definitions in this section apply
 throughout this chapter unless the context clearly requires
 otherwise.

4 (1) "Abortion" means the termination of a pregnancy for purposes 5 other than producing a live birth.

6 (2) "Affiliate" means a legal entity that shares common branding 7 with another legal entity and controls, is controlled by, or is under 8 common control with another legal entity. For the purposes of this 9 definition, "control" or "controlled" means:

10 (a) Ownership of, or the power to vote, more than 50 percent of 11 the outstanding shares of any class of voting security of a company;

12 (b) Control in any manner over the election of a majority of the 13 directors or of individuals exercising similar functions; or

14 (c) The power to exercise controlling influence over the 15 management of a company.

16 (3) "Authenticate" means to use reasonable means to determine 17 that a request to exercise any of the rights afforded in this chapter 18 is being made by, or on behalf of, the consumer who is entitled to 19 exercise such consumer rights with respect to the consumer health 20 data at issue.

(4) "Biometric data" means data that is generated from the measurement or technological processing of an individual's physiological, biological, or behavioral characteristics and that identifies a consumer, whether individually or in combination with other data. Biometric data includes, but is not limited to:

(a) Imagery of the iris, retina, fingerprint, face, hand, palm,
 vein patterns, and voice recordings, from which an identifier
 template can be extracted; or

(b) Keystroke patterns or rhythms and gait patterns or rhythmsthat contain identifying information.

31 (5) "Collect" means to buy, rent, access, retain, receive, 32 acquire, infer, derive, or otherwise process consumer health data in 33 any manner.

34 (6)(a) "Consent" means a clear affirmative act that signifies a 35 consumer's freely given, specific, informed, opt-in, voluntary, and 36 unambiguous agreement, which may include written consent provided by 37 electronic means.

38 (b) "Consent" may not be obtained by:

S-2826.4/23 4th draft

(i) A consumer's acceptance of a general or broad terms of use
 agreement or a similar document that contains descriptions of
 personal data processing along with other unrelated information;

4 (ii) A consumer hovering over, muting, pausing, or closing a 5 given piece of content; or

6 (iii) A consumer's agreement obtained through the use of 7 deceptive designs.

8 (7) "Consumer" means (a) a natural person who is a Washington 9 resident; or (b) a natural person whose consumer health data is 10 collected in Washington. "Consumer" means a natural person who acts 11 only in an individual or household context, however identified, 12 including by any unique identifier. "Consumer" does not include an 13 individual acting in an employment context.

(8) (a) "Consumer health data" means personal information that is linked or reasonably linkable to a consumer and that identifies the consumer's past, present, or future physical or mental health status.

17 (b) For the purposes of this definition, physical or mental 18 health status includes, but is not limited to:

19 (i) Individual health conditions, treatment, diseases, or 20 diagnosis;

21 (ii) Social, psychological, behavioral, and medical 22 interventions;

23 (iii) Health-related surgeries or procedures;

24 (iv) Use or purchase of prescribed medication;

(v) Bodily functions, vital signs, symptoms, or measurements of the information described in this subsection (8)(b);

27 (vi) Diagnoses or diagnostic testing, treatment, or medication;

28 (vii) Gender-affirming care information;

29 (viii) Reproductive or sexual health information;

30 (ix) Biometric data;

31 (x) Genetic data;

32 (xi) Precise location information that could reasonably indicate 33 a consumer's attempt to acquire or receive health services or 34 supplies;

35 (xii) Data that identifies a consumer seeking health care 36 services; or

37 (xiii) Any information that a regulated entity or a small 38 business, or their respective processor, processes to associate or 39 identify a consumer with the data described in (b)(i) through (xii) 40 of this subsection that is derived or extrapolated from nonhealth Code Rev/CC:eab 3 S-2826.4/23 4th draft information (such as proxy, derivative, inferred, or emergent data by any means, including algorithms or machine learning).

(c) "Consumer health data" does not include personal information 3 that is used to engage in public or peer-reviewed scientific, 4 historical, or statistical research in the public interest that 5 6 adheres to all other applicable ethics and privacy laws and is 7 approved, monitored, and governed by an institutional review board, human subjects research ethics review board, or a similar independent 8 oversight entity that determines that the regulated entity or the 9 small business has implemented reasonable safeguards to mitigate 10 11 privacy risks associated with research, including anv risks 12 associated with reidentification.

13 (9) "Deceptive design" means a user interface designed or 14 manipulated with the effect of subverting or impairing user autonomy, 15 decision making, or choice.

(10) "Deidentified data" means data that cannot reasonably be 16 17 used to infer information about, or otherwise be linked to, an identified or identifiable consumer, or a device linked to such 18 consumer, if the regulated entity or the small business that 19 possesses such data (a) takes reasonable measures to ensure that such 20 21 data cannot be associated with a consumer; (b) publicly commits to process such data only in a deidentified fashion and not attempt to 22 reidentify such data; and (c) contractually obligates any recipients 23 of such data to satisfy the criteria set forth in this subsection 24 25 (10).

26 (11) "Gender-affirming care information" means personal 27 information relating to seeking or obtaining past, present, or future 28 gender-affirming care services. "Gender-affirming care information" 29 includes, but is not limited to:

30 (a) Precise location information that could reasonably indicate a 31 consumer's attempt to acquire or receive gender-affirming care 32 services;

33 (b) Efforts to research or obtain gender-affirming care services; 34 or

35 (c) Any gender-affirming care information that is derived, 36 extrapolated, or inferred, including from nonhealth information, such 37 as proxy, derivative, inferred, emergent, or algorithmic data.

38 (12) "Gender-affirming care services" means health services or 39 products that support and affirm an individual's gender identity 40 including, but not limited to, social, psychological, behavioral, Code Rev/CC:eab 4 S-2826.4/23 4th draft 1 cosmetic, medical, or surgical interventions. "Gender-affirming care 2 services" includes, but is not limited to, treatments for gender 3 dysphoria, gender-affirming hormone therapy, and gender-affirming 4 surgical procedures.

5 (13) "Genetic data" means any data, regardless of its format, 6 that concerns a consumer's genetic characteristics. "Genetic data" 7 includes, but is not limited to:

8 (a) Raw sequence data that result from the sequencing of a 9 consumer's complete extracted deoxyribonucleic acid (DNA) or a 10 portion of the extracted DNA;

11 (b) Genotypic and phenotypic information that results from 12 analyzing the raw sequence data; and

13 (c) Self-reported health data that a consumer submits to a 14 regulated entity or a small business and that is analyzed in 15 connection with consumer's raw sequence data.

16 (14) "Geofence" means technology that uses global positioning 17 coordinates, cell tower connectivity, cellular data, radio frequency identification, Wifi data, and/or any other form of spatial or 18 location detection to establish a virtual boundary around a specific 19 physical location, or to locate a consumer within a virtual boundary. 20 For purposes of this definition, "geofence" means a virtual boundary 21 22 that is 2,000 feet or less from the perimeter of the physical 23 location.

(15) "Health care services" means any service provided to a person to assess, measure, improve, or learn about a person's mental or physical health, including but not limited to:

27 28 (a) Individual health conditions, status, diseases, or diagnoses;

(b) Social, psychological, behavioral, and medical interventions;

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(d) Use or purchase of medication;

(c) Health-related surgeries or procedures;

31 (e) Bodily functions, vital signs, symptoms, or measurements of 32 the information described in this subsection;

33 (f) Diagnoses or diagnostic testing, treatment, or medication;

34 (g) Reproductive health care services; or

35 (h) Gender-affirming care services.

36 (16) "Homepage" means the introductory page of an internet 37 website and any internet webpage where personal information is 38 collected. In the case of an online service, such as a mobile 39 application, homepage means the application's platform page or

S-2826.4/23 4th draft

1 download page, and a link within the application, such as from the application configuration, "about," "information," or settings page. 2

3 "Person" means, where applicable, natural persons, (17)corporations, trusts, unincorporated associations, and partnerships. 4 "Person" does not include government agencies, tribal nations, or 5 6 contracted service providers when processing consumer health data on 7 behalf of a government agency.

(18) (a) "Personal information" means information that identifies 8 or is reasonably capable of being associated or linked, directly or 9 indirectly, with a particular consumer. "Personal information" 10 includes, but is not limited to, data associated with a persistent 11 unique identifier, such as a cookie ID, an IP address, a device 12 identifier, or any other form of persistent unique identifier. 13

(b) "Personal information" does not include publicly available 14 information. 15

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(c) "Personal information" does not include deidentified data.

17 (19) "Precise location information" means information derived from technology including, but not limited to, global positioning 18 system level latitude and longitude coordinates or other mechanisms, 19 that directly identifies the specific location of an individual with 20 21 precision and accuracy within a radius of 1,750 feet. "Precise location information" does not include the content of communications, 22 or any data generated by or connected to advanced utility metering 23 24 infrastructure systems or equipment for use by a utility.

25 (20) "Process" or "processing" means any operation or set of 26 operations performed on consumer health data.

(21) "Processor" means a person that processes consumer health 27 data on behalf of a regulated entity or a small business. 28

(22) "Publicly available information" means information that (a) 29 is lawfully made available through federal, state, or municipal 30 31 government records or widely distributed media, and (b) a regulated entity or a small business has a reasonable basis to believe a 32 consumer has lawfully made available to the general public. "Publicly 33 available information" does not include any biometric data collected 34 about a consumer by a business without the consumer's consent. 35

(23) "Regulated entity" means any legal entity that: (a) Conducts 36 business in Washington, or produces or provides products or services 37 that are targeted to consumers in Washington; and (b) alone or 38 jointly with others, determines the purpose and means of collecting, 39 processing, sharing, or selling of consumer health data. "Regulated 40 Code Rev/CC:eab S-2826.4/23 4th draft

1 entity" does not mean government agencies, tribal nations, or 2 contracted service providers when processing consumer health data on 3 behalf of the government agency.

4 (24) "Reproductive or sexual health information" means personal
5 information relating to seeking or obtaining past, present, or future
6 reproductive or sexual health services. "Reproductive or sexual
7 health information" includes, but is not limited to:

8 (a) Precise location information that could reasonably indicate a 9 consumer's attempt to acquire or receive reproductive or sexual 10 health services;

(b) Efforts to research or obtain reproductive or sexual health services; or

13 (c) Any reproductive or sexual health information that is 14 derived, extrapolated, or inferred, including from nonhealth 15 information (such as proxy, derivative, inferred, emergent, or 16 algorithmic data).

17 (25) "Reproductive or sexual health services" means health 18 services or products that support or relate to a consumer's 19 reproductive system or sexual well-being, including but not limited 20 to:

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(a) Individual health conditions, status, diseases, or diagnoses;

22 (b) Social, psychological, behavioral, and medical interventions;

23 (c) Health-related surgeries or procedures including, but not 24 limited to, abortions;

25 (d) Use or purchase of medication including, but not limited to, 26 medications for the purposes of abortion;

(e) Bodily functions, vital signs, symptoms, or measurements ofthe information described in this subsection;

29 (f) Diagnoses or diagnostic testing, treatment, or medication; 30 and

31 (g) Medical or nonmedical services related to and provided in 32 conjunction with an abortion, including but not limited to associated 33 diagnostics, counseling, supplies, and follow-up services.

34 (26)(a) "Sell" or "sale" means the exchange of consumer health 35 data for monetary or other valuable consideration.

36 (b) "Sell" or "sale" does not include the exchange of consumer 37 health data for monetary or other valuable consideration:

(i) To a third party as an asset that is part of a merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the regulated entity's or the Code Rev/CC:eab
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S-2826.4/23 4th draft 1 small business's assets that complies with the requirements and 2 obligations in this chapter; or

3 (ii) By a regulated entity or a small business to a processor 4 when such exchange is consistent with the purpose for which the 5 consumer health data was collected and disclosed to the consumer.

6 (27)(a) "Share" or "sharing" means to release, disclose, 7 disseminate, divulge, make available, provide access to, license, or 8 otherwise communicate orally, in writing, or by electronic or other 9 means, consumer health data by a regulated entity or a small business 10 to a third party or affiliate.

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(b) The term "share" or "sharing" does not include:

(i) The disclosure of consumer health data by a regulated entity or a small business to a processor when such sharing is to provide goods or services in a manner consistent with the purpose for which the consumer health data was collected and disclosed to the consumer;

(ii) The disclosure of consumer health data to a third party with 16 17 whom the consumer has a direct relationship when: (A) The disclosure is for purposes of providing a product or service requested by the 18 consumer; (B) the regulated entity or the small business maintains 19 control and ownership of the data; and (C) the third party uses the 20 consumer health data only at direction from the regulated entity or 21 the small business and consistent with the purpose for which it was 22 collected and consented to by the consumer; or 23

(iii) The disclosure or transfer of personal data to a third party as an asset that is part of a merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the regulated entity's or the small business's assets and complies with the requirements and obligations in this chapter.

29 (28) "Small business" means a regulated entity that satisfies one 30 or both of the following thresholds:

(a) Collects, processes, sells, or shares consumer health data of
 fewer than 100,000 consumers during a calendar year; or

33 (b) Derives less than 50 percent of gross revenue from the 34 collection, processing, selling, or sharing of consumer health data, 35 and controls, processes, sells, or shares consumer health data of 36 fewer than 25,000 consumers.

37 (29) "Third party" means an entity other than a consumer, 38 regulated entity, processor, small business, or affiliate of the 39 regulated entity or the small business.

S-2826.4/23 4th draft

NEW SECTION. Sec. 4. (1) (a) Except as provided in subsection (2) of this section, beginning March 31, 2024, a regulated entity and a small business shall maintain a consumer health data privacy policy that clearly and conspicuously discloses:

5 (i) The categories of consumer health data collected and the 6 purpose for which the data is collected, including how the data will 7 be used;

8 (ii) The categories of sources from which the consumer health 9 data is collected;

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(iii) The categories of consumer health data that is shared;

(iv) A list of the categories of third parties and specific affiliates with whom the regulated entity or the small business shares the consumer health data; and

14 (v) How a consumer can exercise the rights provided in section 6 15 of this act.

(b) A regulated entity and a small business shall prominently publish a link to its consumer health data privacy policy on its homepage.

(c) A regulated entity or a small business may not collect, use, or share additional categories of consumer health data not disclosed in the consumer health data privacy policy without first disclosing the additional categories and obtaining the consumer's affirmative consent prior to the collection, use, or sharing of such consumer health data.

(d) A regulated entity or a small business may not collect, use, or share consumer health data for additional purposes not disclosed in the consumer health data privacy policy without first disclosing the additional purposes and obtaining the consumer's affirmative consent prior to the collection, use, or sharing of such consumer health data.

(e) It is a violation of this chapter for a regulated entity or a small business to contract with a processor to process consumer health data in a manner that is inconsistent with the regulated entity's or the small business's consumer health data privacy policy.

35 (2) A small business must comply with this section beginning June36 30, 2024.

37 <u>NEW SECTION.</u> Sec. 5. (1)(a) Except as provided in subsection 38 (2) of this section, beginning March 31, 2024, a regulated entity or 39 a small business may not collect any consumer health data except: Code Rev/CC:eab 9 S-2826.4/23 4th draft 1 (i) With consent from the consumer for such collection for a 2 specified purpose; or

3 (ii) To the extent necessary to provide a product or service that 4 the consumer to whom such consumer health data relates has requested 5 from such regulated entity or small business.

6 (b) A regulated entity or a small business may not share any 7 consumer health data except:

8 (i) With consent from the consumer for such sharing that is 9 separate and distinct from the consent obtained to collect consumer 10 health data; or

(ii) To the extent necessary to provide a product or service that the consumer to whom such consumer health data relates has requested from such regulated entity or small business.

(c) Consent required under this section must be obtained prior to 14 the collection or sharing, as applicable, of any consumer health 15 16 data, and the request for consent must clearly and conspicuously 17 disclose: (i) The categories of consumer health data collected or shared; (ii) the purpose of the collection or sharing of the consumer 18 health data, including the specific ways in which it will be used; 19 (iii) the categories of entities with whom the consumer health data 20 21 is shared; and (iv) how the consumer can withdraw consent from future collection or sharing of the consumer's health data. 22

23 (d) A regulated entity or a small business may not unlawfully 24 discriminate against a consumer for exercising any rights included in 25 this chapter.

26 (2) A small business must comply with this section beginning June27 30, 2024.

28 NEW SECTION. Sec. 6. (1)(a) Except as provided in subsection (2) of this section, beginning March 31, 2024, a consumer has the 29 30 right to confirm whether a regulated entity or a small business is collecting, sharing, or selling consumer health data concerning the 31 consumer and to access such data, including a list of all third 32 parties and affiliates with whom the regulated entity or the small 33 business has shared or sold the consumer health data and an active 34 email address or other online mechanism that the consumer may use to 35 contact these third parties. 36

37 (b) A consumer has the right to withdraw consent from the 38 regulated entity's or the small business's collection and sharing of 39 consumer health data concerning the consumer.

Code Rev/CC:eab

S-2826.4/23 4th draft

1 (c) A consumer has the right to have consumer health data 2 concerning the consumer deleted and may exercise that right by 3 informing the regulated entity or the small business of the 4 consumer's request for deletion.

5 (i) A regulated entity or a small business that receives a 6 consumer's request to delete any consumer health data concerning the 7 consumer shall:

8 (A) Delete the consumer health data from its records, including 9 from all parts of the regulated entity's or the small business's 10 network, including archived or backup systems pursuant to (c)(iii) of 11 this subsection; and

12 (B) Notify all affiliates, processors, contractors, and other 13 third parties with whom the regulated entity or the small business 14 has shared consumer health data of the deletion request.

(ii) All affiliates, processors, contractors, and other third parties that receive notice of a consumer's deletion request shall honor the consumer's deletion request and delete the consumer health data from its records, subject to the same requirements of this chapter.

20 (iii) If consumer health data that a consumer requests to be 21 deleted is stored on archived or backup systems, then the request for 22 deletion may be delayed to enable restoration of the archived or 23 backup systems and such delay may not exceed six months from 24 authenticating the deletion request.

25 (d) A consumer may exercise the rights set forth in this chapter 26 by submitting a request, at any time, to a regulated entity or a small business. Such a request may be made by a secure and reliable 27 28 means established by the regulated entity or the small business and 29 described in its consumer health data privacy policy. The method must take into account the ways in which consumers normally interact with 30 31 the regulated entity or the small business, the need for secure and 32 reliable communication of such requests, and the ability of the regulated entity or the small business to authenticate the identity 33 of the consumer making the request. A regulated entity or a small 34 business may not require a consumer to create a new account in order 35 36 to exercise consumer rights pursuant to this chapter but may require a consumer to use an existing account. 37

38 (e) If a regulated entity or a small business is unable to 39 authenticate the request using commercially reasonable efforts, the 40 regulated entity or the small business is not required to comply with Code Rev/CC:eab 11 S-2826.4/23 4th draft 1 a request to initiate an action under this section and may request 2 that the consumer provide additional information reasonably necessary 3 to authenticate the consumer and the consumer's request.

(f) Information provided in response to a consumer request must 4 be provided by a regulated entity and a small business free of 5 6 charge, up to twice annually per consumer. If requests from a consumer are manifestly unfounded, excessive, or repetitive, the 7 regulated entity or the small business may charge the consumer a 8 reasonable fee to cover the administrative costs of complying with 9 the request or decline to act on the request. The regulated entity 10 11 and the small business bear the burden of demonstrating the 12 manifestly unfounded, excessive, or repetitive nature of the request.

(g) A regulated entity and a small business shall comply with the 13 consumer's requests under subsection (1)(a) through (c) of this 14 section without undue delay, but in all cases within 45 days of 15 16 receipt of the request submitted pursuant to the methods described in 17 this section. A regulated entity and a small business must promptly take steps to authenticate a consumer request but this does not 18 extend the regulated entity's and the small business's duty to comply 19 with the consumer's request within 45 days of receipt of the 20 21 consumer's request. The response period may be extended once by 45 22 additional days when reasonably necessary, taking into account the complexity and number of the consumer's requests, so long as the 23 regulated entity or the small business informs the consumer of any 24 25 such extension within the initial 45-day response period, together with the reason for the extension. 26

(h) A regulated entity and a small business shall establish a 27 process for a consumer to appeal the regulated entity's or the small 28 business's refusal to take action on a request within a reasonable 29 period of time after the consumer's receipt of the decision. The 30 31 appeal process must be conspicuously available and similar to the 32 process for submitting requests to initiate action pursuant to this section. Within 45 days of receipt of an appeal, a regulated entity 33 or a small business shall inform the consumer in writing of any 34 action taken or not taken in response to the appeal, including a 35 written explanation of the reasons for the decisions. If the appeal 36 is denied, the regulated entity or the small business shall also 37 provide the consumer with an online mechanism, if available, or other 38 39 method through which the consumer may contact the attorney general to 40 submit a complaint.

Code Rev/CC:eab

S-2826.4/23 4th draft

(2) A small business must comply with this section beginning June
 30, 2024.

3 <u>NEW SECTION.</u> Sec. 7. (1) Except as provided in subsection (2) 4 of this section, beginning March 31, 2024, a regulated entity and a 5 small business shall:

6 (a) Restrict access to consumer health data by the employees, 7 processors, and contractors of such regulated entity or small 8 business to only those employees, processors, and contractors for 9 which access is necessary to further the purposes for which the 10 consumer provided consent or where necessary to provide a product or 11 service that the consumer to whom such consumer health data relates 12 has requested from such regulated entity or small business; and

(b) Establish, implement, and maintain administrative, technical, and physical data security practices that, at a minimum, satisfy reasonable standard of care within the regulated entity's or the small business's industry to protect the confidentiality, integrity, and accessibility of consumer health data appropriate to the volume and nature of the consumer health data at issue.

19 (2) A small business must comply with this section beginning June20 30, 2024.

NEW SECTION. Sec. 8. (1)(a)(i) Except as provided in subsection (2) of this section, beginning March 31, 2024, a processor may process consumer health data only pursuant to a binding contract between the processor and the regulated entity or the small business that sets forth the processing instructions and limit the actions the processor may take with respect to the consumer health data it processes on behalf of the regulated entity or the small business.

(ii) A processor may process consumer health data only in a
 manner that is consistent with the binding instructions set forth in
 the contract with the regulated entity or the small business.

31 (b) A processor shall assist the regulated entity or the small 32 business by appropriate technical and organizational measures, 33 insofar as this is possible, in fulfilling the regulated entity's and 34 the small business's obligations under this chapter.

35 (c) If a processor fails to adhere to the regulated entity's or 36 the small business's instructions or processes consumer health data 37 in a manner that is outside the scope of the processor's contract 38 with the regulated entity or the small business, the processor is Code Rev/CC:eab 13 S-2826.4/23 4th draft 1 considered a regulated entity or a small business with regard to such 2 data and is subject to all the requirements of this chapter with 3 regard to such data.

4 (2) A small business must comply with this section beginning June 5 30, 2024.

<u>NEW SECTION.</u> Sec. 9. (1) Except as provided in subsection (6) 6 of this section, beginning March 31, 2024, it is unlawful for any 7 person to sell or offer to sell consumer health data concerning a 8 consumer without first obtaining valid authorization from the 9 10 consumer. The sale of consumer health data must be consistent with the valid authorization signed by the consumer. This authorization 11 must be separate and distinct from the consent obtained to collect or 12 share consumer health data, as required under section 5 of this act. 13

14 (2) A valid authorization to sell consumer health data is a 15 document consistent with this section and must be written in plain 16 language. The valid authorization to sell consumer health data must 17 contain the following:

18 (a) The specific consumer health data concerning the consumer19 that the person intends to sell;

(b) The name and contact information of the person collecting andselling the consumer health data;

(c) The name and contact information of the person purchasing the consumer health data from the seller identified in (b) of this subsection;

(d) A description of the purpose for the sale, including how the consumer health data will be gathered and how it will be used by the purchaser identified in (c) of this subsection when sold;

(e) A statement that the provision of goods or services may notbe conditioned on the consumer signing the valid authorization;

30 (f) A statement that the consumer has a right to revoke the valid 31 authorization at any time and a description on how to submit a 32 revocation of the valid authorization;

33 (g) A statement that the consumer health data sold pursuant to 34 the valid authorization may be subject to redisclosure by the 35 purchaser and may no longer be protected by this section;

36 (h) An expiration date for the valid authorization that expires
37 one year from when the consumer signs the valid authorization; and
38 (i) The signature of the consumer and date.

Code Rev/CC:eab

S-2826.4/23 4th draft

1 (3) An authorization is not valid if the document has any of the 2 following defects:

3 (a) The expiration date has passed;

4 (b) The authorization does not contain all the information 5 required under this section;

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(c) The authorization has been revoked by the consumer;

7 (d) The authorization has been combined with other documents to 8 create a compound authorization; or

9 (e) The provision of goods or services is conditioned on the 10 consumer signing the authorization.

11 (4) A copy of the signed valid authorization must be provided to 12 the consumer.

13 (5) The seller and purchaser of consumer health data must retain 14 a copy of all valid authorizations for sale of consumer health data 15 for six years from the date of its signature or the date when it was 16 last in effect, whichever is later.

17 (6) A small business must comply with this section beginning June18 30, 2024.

19 NEW SECTION. Sec. 10. It is unlawful for any person to 20 implement a geofence around an entity that provides in-person health care services where such geofence is used to: (1) Identify or track 21 consumers seeking health care services; (2) collect consumer health 22 data from consumers; or (3) send notifications, messages, 23 or 24 advertisements to consumers related to their consumer health data or 25 health care services.

26 <u>NEW SECTION.</u> Sec. 11. The legislature finds that the practices 27 covered by this chapter are matters vitally affecting the public interest for the purpose of applying the consumer protection act, 28 29 chapter 19.86 RCW. A violation of this chapter is not reasonable in 30 relation to the development and preservation of business, and is an unfair or deceptive act in trade or commerce and an unfair method of 31 competition for the purpose of applying the consumer protection act, 32 33 chapter 19.86 RCW.

34 <u>NEW SECTION.</u> Sec. 12. (1) This chapter does not apply to:
35 (a) Information that meets the definition of:

1 (i) Protected health information for purposes of the federal 2 health insurance portability and accountability act of 1996 and 3 related regulations;

4 (ii) Health care information collected, used, or disclosed in 5 accordance with chapter 70.02 RCW;

6 (iii) Patient identifying information collected, used, or 7 disclosed in accordance with 42 C.F.R. Part 2, established pursuant 8 to 42 U.S.C. Sec. 290dd-2;

(iv) Identifiable private information for purposes of the federal 9 policy for the protection of human subjects, 45 C.F.R. Part 46; 10 identifiable private information that is otherwise information 11 collected as part of human subjects research pursuant to the good 12 clinical practice guidelines issued by the international council for 13 harmonization; the protection of human subjects under 21 C.F.R. Parts 14 50 and 56; or personal data used or shared in research conducted in 15 16 accordance with one or more of the requirements set forth in this 17 subsection;

18 (v) Information and documents created specifically for, and 19 collected and maintained by:

20 (A) A quality improvement committee for purposes of RCW 21 43.70.510, 70.230.080, or 70.41.200;

(B) A peer review committee for purposes of RCW 4.24.250;

23 (C) A quality assurance committee for purposes of RCW 74.42.640 24 or 18.20.390;

(D) A hospital, as defined in RCW 43.70.056, for reporting of health care-associated infections for purposes of RCW 43.70.056, a notification of an incident for purposes of RCW 70.56.040(5), or reports regarding adverse events for purposes of RCW 70.56.020(2)(b); or

30 (E) A manufacturer, as defined in 21 C.F.R. Sec. 820.3(o), when 31 collected, used, or disclosed for purposes specified in chapter 70.02 32 RCW;

33 (vi) Information and documents created for purposes of the 34 federal health care quality improvement act of 1986, and related 35 regulations;

36 (vii) Patient safety work product for purposes of 42 C.F.R. Part
 37 3, established pursuant to 42 U.S.C. Sec. 299b-21 through 299b-26;

38 (viii) Information that is (A) deidentified in accordance with 39 the requirements for deidentification set forth in 45 C.F.R. Part

22

1 164, and (B) derived from any of the health care-related information
2 listed in this subsection (1)(a)(viii);

3 (b) Information originating from, and intermingled to be 4 indistinguishable with, information under (a) of this subsection that 5 is maintained by:

6 (i) A covered entity or business associate as defined by the 7 health insurance portability and accountability act of 1996 and 8 related regulations;

9 (ii) A health care facility or health care provider as defined in 10 RCW 70.02.010; or

(iii) A program or a qualified service organization as defined by 42 C.F.R. Part 2, established pursuant to 42 U.S.C. Sec. 290dd-2;

13 (c) Information used only for public health activities and 14 purposes as described in 45 C.F.R. Sec. 164.512 or that is part of a 15 limited data set, as defined, and is used, disclosed, and maintained 16 in the manner required, by 45 C.F.R. Sec. 164.514; or

17 (d) Identifiable data collected, used, or disclosed in accordance18 with chapter 43.371 RCW or RCW 69.43.165.

(2) Personal information that is governed by and collected, used, 19 or disclosed pursuant to the following regulations, parts, titles, or 20 21 acts, is exempt from this chapter: (a) The Gramm-Leach-Bliley act (15 U.S.C. 6801 et seq.) and implementing regulations; (b) part C of 22 Title XI of the social security act (42 U.S.C. 1320d et seq.); (c) 23 the fair credit reporting act (15 U.S.C. 1681 et seq.); (d) the 24 25 family educational rights and privacy act (20 U.S.C. 1232g; Part 99 of Title 34, C.F.R.); (e) the Washington health benefit exchange and 26 applicable statutes and regulations, including 45 C.F.R. Sec. 155.260 27 and chapter 43.71 RCW; or (f) privacy rules adopted by the office of 28 29 the insurance commissioner pursuant to chapter 48.02 or 48.43 RCW.

The obligations imposed on regulated entities, small 30 (3) 31 businesses, and processors under this chapter does not restrict a 32 regulated entity's, small business's, or processor's ability for collection, use, or disclosure of consumer health data to prevent, 33 detect, protect against, or respond to security incidents, identity 34 theft, fraud, harassment, malicious or deceptive activities, or any 35 36 activity that is illegal under Washington state law or federal law; preserve the integrity or security of systems; or investigate, 37 report, or prosecute those responsible for any such action that is 38 39 illegal under Washington state law or federal law.

1 (4) If a regulated entity, small business, or processor processes 2 consumer health data pursuant to subsection (3) of this section, such 3 entity bears the burden of demonstrating that such processing 4 qualifies for the exemption and complies with the requirements of 5 this section.

6 <u>NEW SECTION.</u> Sec. 13. A new section is added to chapter 44.28 7 RCW to read as follows:

8 (1) The joint committee must review enforcement actions, as 9 authorized in section 6 of this act, brought by the attorney general 10 and consumers to enforce violations of this act.

11 (2) The report must include, at a minimum:

(a) The number of enforcement actions reported by the attorney
general, a consumer, a regulated entity, or a small business that
resulted in a settlement, including the average settlement amount;

(b) The number of complaints reported, including categories of complaints and the number of complaints for each category, reported by the attorney general, a consumer, a regulated entity, or a small business;

(c) The number of enforcement actions brought by the attorney general and consumers, including the categories of violations and the number of violations per category;

(e) The number of civil actions where a judge determined theposition of the nonprevailing party was frivolous, if any;

(f) The types of resources, including associated costs, expended by the attorney general, a consumer, a regulated entity, or a small business for enforcement actions; and

27 (g) Recommendations for potential changes to enforcement 28 provisions of this act.

(3) The office of the attorney general shall provide the joint committee any data within their purview that the joint committee considers necessary to conduct the review.

32 (4) The joint committee shall submit a report of its findings and 33 recommendations to the governor and the appropriate committees of the 34 legislature by September 30, 2030.

35 (5) This section expires June 30, 2031.

36 <u>NEW SECTION.</u> Sec. 14. If any provision of this act or its 37 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other 2 persons or circumstances is not affected.

3 <u>NEW SECTION.</u> Sec. 15. Sections 1 through 12 of this act 4 constitute a new chapter in Title 19 RCW."

## **ESHB 1155** - S AMD 270

By Senator Dhingra

## ADOPTED AS AMENDED 04/05/2023

5 On page 1, line 2 of the title, after "data;" strike the 6 remainder of the title and insert "adding a new section to chapter 7 44.28 RCW; adding a new chapter to Title 19 RCW; providing an 8 effective date; and providing an expiration date."

EFFECT: (1) Specifies "consumer health data" includes any information that a regulated entity or small business processes to identify a consumer's physical or mental health status that is derived from nonhealth information and includes data that identifies a consumer seeking health care services.

(2) Revises the definition of "deidentified data" by clarifying a regulated entity that possesses such data must contractually obligate any recipients of such data to satisfy all defined criteria.

(3) Revises the definition of "geofence" by including spatial detection as a form of detection to establish a virtual boundary and specifies detection also includes the purpose to locate a consumer within a virtual boundary.

(4) Revises the exemption in the definition of "personal information" so that biometric data collected about a consumer by a business without a consumer's consent, rather than knowledge, is not publicly available information.

(5) Clarifies the definition of "share" does not include disclosures to a third party with whom the consumer has a direct relationship when the third party uses the consumer health data only at the direction from the regulated entity and consistent with the purpose for which it was collected and consented to, rather than disclosed to.

(6) Provides a definition for "small business."

(7) Removes the requirement for a regulated entity to respond to a request to delete consumer health data without unreasonable delay and no more than 30 calendar days from authenticating the deletion request.

(8) Clarifies that authenticating a consumer's request to exercise a right does not extend the regulated entity's 45-day timeline for responding to a request.

(9) Clarifies authorization to sell consumer health data must be obtained separate and distinct from the consent obtained to collect or share consumer health data.

(10) Removes the specification that the legislative declarations that make a violation of the bill a per se violation of the Consumer

Protection Act (CPA) apply in enforcement actions brought by the Attorney General.

(11) Removes the requirement for any consumer injured by a violation of this chapter and bringing an action under the CPA to establish all required elements of an action under the CPA before relief may be granted.

(12) Provides that this act does not apply to information and documents created specifically for, and collected and maintained by, a federally regulated medical device manufacturer when collected, used, or disclosed for use in medical records.

(13) Specifies this act also does not apply to information that is part of a limited data set and is used, disclosed, and maintained in a manner required under HIPAA or identifiable data collected, used, or disclosed in the electronic sales tracking system implemented by the state pharmacy quality assurance commission and consistent with the federal combat meth act.

(14) Specifies that the exemption for responding to illegal activities and prosecuting those responsible for such actions applies to activities and actions that are illegal under Washington state law or federal law.

(15) Provides an effective date of March 31, 2024, for regulated entities and an effective date of June 30, 2024, for small businesses.

(16) Requires the Joint Legislative Audit and Review Committee to review enforcement actions, as authorized under the act, and submit a report of its findings by September 30, 2030.

(17) Makes technical corrections.

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