

Patient Data Monetization: A New Frontier in Healthcare

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POLICY RECOMMENDATIONS

For NC House Members

- Support House Bill 754
- Safeguards sensitive health information
- Prevents unauthorized access

For Public

- Support House Bill 754
- Enhances privacy
- Encourages empowerment and choice

For Health systems

- Support House Bill 754
- Data transparency
- Protection against lawsuits

The **General Assembly of North Carolina** convened during the **2023 legislative session**. House Bill 754 stands out among the proposed legislation as a significant piece of policy.

House Bill 754 seeks to address specific concerns related to:

1. **Patient Privacy:** The bill aims to enhance patient privacy within the state.
2. **Data Security** outlines measures to safeguard sensitive health information and prevent unauthorized access.
3. **Healthcare Providers:** The bill impacts healthcare providers, insurers, and other entities involved in patient care.

This policy brief will analyze House Bill 754 implications, potential benefits, and any challenges it may pose.

What's the issue?

House Bill 754 addresses concerns related to patient privacy and data security within the state's healthcare system within the scope of data monetization. The legislation balances patients' rights with healthcare organizations' operational needs.

What's the background?

Patient data monetization has emerged as a novel concept, granting patients greater control over their healthcare information. Under this model, patient data can be sold to pharmaceutical companies, researchers, or healthcare providers. While discussions around patient data monetization primarily occur within the context of personalized medicine and precision healthcare, its potential benefits have captured the attention of the healthcare industry.

However, this intriguing landscape is not without challenges. Ethical considerations and regulatory frameworks must be carefully navigated. As the field evolves, expect more legislation similar to House Bill 754 about patient data monetization and its impact on healthcare practices².

What's the debate surrounding monetizing patient data?

Monetizing patient data aims to **transform data into an economic asset**. By doing so, healthcare organizations can **maximize efficiency, reduce costs, and increase overall business value**. Generating revenue from patient data can lead to **innovative funding models and sustainable healthcare practices**. In terms of revenue, the healthcare data monetization market was estimated to be \$0.4 billion in 2023 and is **poised to reach \$0.9 billion by 2028**³.

This begs the question, **who should profit from the sale of patient data?**

Patients' data belong to them. Balancing fair compensation for patients and sustaining healthcare providers' financial viability is complex.

patients to review and consent to the health system using their data for monetary purposes.

Privacy and Regulatory Concerns

Healthcare data is **sensitive and personal**. Collecting and monetizing it raises **privacy concerns**.

In August 2022, legal action was taken against **Chicago-based Northwestern Memorial Hospital and tech giant Meta** (formerly known as Facebook). The federal lawsuit alleges that the hospital allowed Meta's tracking tool, Meta Pixel, to **unlawfully collect patient health data from the hospital's patient portal to use for its own profit**⁴.

This is just one of many lawsuits of its kind. Regulatory frameworks must evolve to address these challenges effectively⁵. House Bill 754 does just that.

Why is it important?

House Bill 754 focuses on obtaining consent before monetizing individuals' protected health information. The bill aims to **ensure that individuals' health data cannot be monetized without a patient's explicit consent**. The bill safeguards health information and **contributes to maintaining privacy and protecting patient rights**.

In summary, House Bill 754 **addresses the critical issue of health data privacy and seeks to balance commerce with patient rights**.

What's next?

Following the acceptance of House Bill 754, we can expect **enhanced privacy for patients**.

We can also expect patients to feel more **empowered by giving them a choice**.

We can expect more **data transparency** from health systems as well as a **reduction in unlawful use of protected health information**.

Additional Information:

North Carolina would be among other states that would adopt this type of legislation.

Virginia, Connecticut, and Colorado all have similar bills but take a more hybrid approach. For more information, please reference the 50-State Survey of Health Care Information Privacy Laws⁶.

References

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