

# What Is HIPAA and How Does It Apply to AI in Healthcare?

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Published: April 15, 2015 | Healthcare Data Privacy and Security

DOI: [10.5281/zenodo.17999363](https://doi.org/10.5281/zenodo.17999363)

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## Abstract

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## Introduction

The healthcare industry is undergoing a significant transformation, driven by the rapid advancements in Artificial Intelligence (AI). From diagnostic tools to personalized treatment plans, AI is revolutionizing patient care. However, this technological leap brings forth new challenges, particularly concerning the privacy and security of patient data. The Health Insurance Portability and Accountability Act of 1996 (HIPAA) has long been the cornerstone of patient data protection in the United States. This article explores the critical intersection of HIPAA and AI in healthcare, examining how this foundational regulation applies to the age of intelligent healthcare systems.

## What is HIPAA?

HIPAA is a US federal law enacted in 1996 to modernize the flow of healthcare information, stipulate how personally identifiable information maintained by the healthcare and healthcare insurance industries should be protected from fraud and theft, and address limitations on healthcare insurance coverage. The HIPAA Privacy Rule, a key component of this legislation, establishes national standards for the protection of certain health information. It applies to health plans, health care clearinghouses, and to any health care provider who transmits health information in electronic form in connection with transactions for which the Secretary of HHS has adopted standards under HIPAA. These entities are referred to as "covered entities." The Privacy Rule also extends to "business associates" of these covered entities, which are persons or organizations that perform certain functions or

activities on behalf of, or provide certain services to, a covered entity that involve the use or disclosure of individually identifiable health information.

## **The Rise of AI in Healthcare**

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Artificial Intelligence is no longer a futuristic concept in healthcare; it is a present-day reality. AI-powered tools are being integrated into various aspects of the healthcare ecosystem, from administrative workflows to clinical decision-making. For instance, AI algorithms can analyze medical images with a high degree of accuracy, assisting radiologists in detecting diseases like cancer at earlier stages. Machine learning models are also being used to predict patient risk, identify individuals who may be susceptible to certain conditions, and optimize treatment plans. Furthermore, AI-powered chatbots and virtual health assistants are becoming increasingly common, providing patients with 24/7 access to medical information and support.

## **How HIPAA Applies to AI in Healthcare**

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The application of HIPAA to AI in healthcare is a complex and evolving area. A primary consideration is whether the AI developer or vendor qualifies as a "business associate" under HIPAA. If an AI company creates, receives, maintains, or transmits Protected Health Information (PHI) on behalf of a covered entity (such as a hospital or clinic), it is considered a business associate and must comply with HIPAA regulations. This necessitates a formal Business Associate Agreement (BAA) that outlines the responsibilities of the AI vendor in protecting PHI. A significant challenge arises from the vast amounts of data required to train AI models. While HIPAA does not apply to de-identified data, the powerful capabilities of AI raise concerns about the potential for re-identification of this data, a process known as data triangulation. Furthermore, HIPAA's protections may not extend to situations where patients voluntarily provide their health information to AI-powered applications that are not affiliated with a covered entity, creating a regulatory gray area.

## **Challenges and Considerations**

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Several challenges and considerations emerge when navigating the intersection of HIPAA and AI. The sheer volume and velocity of data processed by AI systems create new vulnerabilities for data breaches. Moreover, the "black box" nature of some complex AI models can make it difficult to understand how they arrive at specific conclusions, posing challenges for accountability and transparency. Another significant concern is the potential for bias in AI algorithms. If the data used to train an AI model is not representative of the patient population, the model may perpetuate or even amplify existing health disparities. The Federal Trade Commission (FTC) has taken a proactive stance in protecting health data, and AI developers and vendors must be mindful of the FTC's increasing focus on health data privacy. This includes being transparent about their data practices and ensuring that they have robust security measures in place to protect patient information.

## **Conclusion**

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In conclusion, the integration of AI into healthcare offers immense potential to improve patient outcomes and streamline healthcare delivery. However, it is imperative that these advancements do not come at the cost of patient privacy. A thorough understanding of HIPAA and its application to AI is crucial for all stakeholders, including healthcare providers, AI developers, and policymakers. As AI technology continues to evolve, so too must our approach to data privacy and security. By fostering a culture of transparency, accountability, and ethical data stewardship, we can harness the power of AI while upholding the fundamental principles of patient confidentiality enshrined in HIPAA.

This article was written with the assistance of AI.

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