Illinois Coalition for LEGAL REFORM

Oppose the Health Data Privacy Act

Vote NO on HB 3494

The Health Data Privacy Act (HB 3494) would require companies to have a health data privacy policy outlining what information they're collecting, using, selling, and storing and why and get individual's consent to do so. While seemingly a good policy, the proposal is too broad, making it difficult for companies to comply, and includes elements which would expand the scope and unintentionally expose additional parties to liability.

The proposed legislation would unfairly expose businesses unnecessary litigation simply due to the uncertainty and ambiguity of the law and what would qualify as health data. The additional risk could deter businesses from operating in Illinois and hurt job growth, economic development, and innovation across the state.

Increased Legal Liability

The legislation could increase businesses' exposure to lawsuits or enforcement actions for noncompliance. Companies may face significant penalties or fines if they fail to meet strict privacy requirements. This creates an increased legal risk for operating in Illinois, especially for those handling data that may not have previously been required to safeguard under law.

Unclear Compliance Requirements

The legal requirements of the legislation are too broad and ambiguous, which will only increase uncertainty surrounding what constitutes full compliance. Additionally, many industries already have existing compliance requirements. This lack of clarity and inconsistency could result in legal risks, penalties, and potential lawsuits if businesses inadvertently violate the law.

Private Right of Action

As written, the law will allow individuals to sue businesses directly if the business is not in compliance. This unfairly and unnecessarily exposes companies to lawsuits, creating a significant legal burden for companies. This would increase litigation costs and expose businesses to undue harm.