

STAND. COM. REP. NO. **906**

Honolulu, Hawaii

**March 6**, 2009

RE: H.B. No. 1782

H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1782, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH INFORMATION EXCHANGE,"

begs leave to report as follows:

The purpose of this bill is to establish the Office of State Coordinator of Health Information Exchange (Office) to coordinate and oversee efforts to promote health information exchange, including development and implementation of a health information exchange network for medicaid recipients and other low-income insured residents of the state. This bill also:

- (1) Requires the Office to annually convene an e-health council which is required to develop a ten-year strategic plan for the Office and the health information exchange network; and
- (2) Establishes the Health Information Exchange Special Fund (Special Fund) for costs and expenses incurred in administering health information exchange initiatives contained in this bill.

Hawaii Medical Association supported this bill. The Department of Budget and Finance (B&F), Department of Health (DOH), Department of Human Services (DHS), Hawaii Primary Care Association, Hawaii Health Information Exchange, and Hawaii Medical Service Association submitted comments.

HB1782 HD2 HSCR FIN HMS 2009-2832



Your Committee has amended this measure by establishing the Office within the Department of Accounting and General Services (DAGS) instead of DOH. In addition, your Committee has amended this measure by revising various provisions and conforming this measure to the federal American Recovery and Reinvestment Act of 2009 (Recovery Act) by, among other things:

- (1) Requiring the Office to:
  - (A) Implement an integrated electronic health information infrastructure for sharing of electronic health information among health care facilities, health care professionals, payers, and patients;
  - (B) Enhance participation in secured nationwide electronic use and exchange of health information;
  - (C) Increase the adoption and use of certification commission for health information technology electronic health records and e-prescribing;
  - (D) Collaborate with DOH, DHS, health care providers, and health care facilities to ensure that all applicable federal patient privacy laws are identified and ensured through administrative rules and procedures;
  - (E) Assist patients in using health information technology; and
  - (F) By no later than January 1, 2010, begin implementation of a statewide strategic plan for health information exchanges that is consistent with the U.S. Department of Health and Human Services Office of National Coordinator of Health Information Technology;
- (2) Allowing DAGS to contract out some or all of its duties to administer the components of the Office in accordance with the Hawaii State Procurement Code, and establishing requirements, restrictions, and conditions for any such contract;



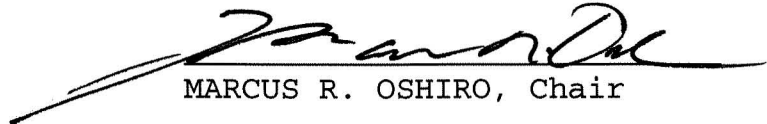
- (3) Broadening the scope of the required health information exchange network (Network) to include all residents of the state, not just for medicaid recipients and other low-income uninsured residents;
- (4) In lieu of the requirement to establish an e-health council, establishing a temporary Health Information Technology Task Force (Task Force) within DAGS to develop the ten-year strategic plan for the Office and the Network, and inserting additional required components of the plan;
- (5) Requiring the Task Force to submit annual reports to the Legislature, including the finalized strategic plan prior to the 2010 Regular Session, and repealing the Task Force on June 30, 2014;
- (6) Revising the details of the assessment that is required to be performed by DOH on the Office, the Network, and the Task Force;
- (7) Requiring DAGS to conduct a separate assessment of the Office, Network, and the Task Force;
- (8) Requiring DOH and DAGS to submit joint reports with their assessments to the Legislature, and establishing a schedule for submittal of these reports in future years;
- (9) Requiring B&F to submit a financial report to the Legislature regarding the State's health information technology efforts, and establishing a schedule for submittal of these reports in future years;
- (10) Changing the appropriations for the Special Fund to unspecified amounts to encourage further discussion;
- (11) Changing its effective date to July 1, 2046, to encourage further discussion; and
- (12) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No.



1782, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1782, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



MARCUS R. OSHIRO, Chair



