
A BILL FOR AN ACT

RELATING TO HEALTH INFORMATION EXCHANGE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. In recent years, the establishment and
2 development of health information exchanges within the United
3 States has become increasingly significant, reflecting the
4 changing role that technology plays in the way we operate
5 government and business. As witnessed during the 2008
6 presidential campaign, technology is beginning to take a more
7 prominent role and is expected to remain that way.

8 Public health experts, federal and state governments, even
9 the newly inaugurated President Obama and his administration
10 recognize the potential economic and health benefits of health
11 information exchanges and similar ehealth initiatives and are
12 searching for ways to further their growth. President Obama has
13 publicly pledged to aggressively pursue the use of health
14 information technology as he sees it as a key component of his
15 economic stimulus plan and has previously pledged
16 \$10,000,000,000 toward the development and implementation of
17 health information technology.



1 Health information technology is poised to become a
2 powerful vehicle for improving patient health and quality of
3 care, safety, and efficiency through the secure exchange of
4 patient data among all stakeholders. To date, approximately
5 twenty-six states have implemented health information exchange
6 programs aimed at improving overall quality of care, reducing or
7 averting medical errors, and saving billions of dollars within
8 the health care system.

9 As a way to encourage states to adopt health information
10 exchanges, the Centers for Medicare and Medicaid Services and
11 the United States Department of Health and Human Services,
12 Office of the Inspector General, have provided new exceptions to
13 the Stark Law -- an "anti-kickback" statute relating to health
14 information technology and a physician referring a patient to a
15 medical facility in which the physician has a financial
16 interest. Even the National Conference of State Legislatures
17 has reported that "states are moving at an unprecedented rate to
18 get their health care systems wired and connected".

19 Creating an office of state coordinator of health
20 information exchange within the department of health is the
21 first of many steps that need to be taken in order to help
22 Hawaii realize its potential savings in health care, while



1 increasing quality of care and access, increasing medical
2 services to underserved and rural areas of the State, and even
3 accessing new sources of federal funding.

4 The purpose of this Act is to establish an office of state
5 coordinator of health information exchange within the department
6 of health to coordinate local efforts, identify funding sources,
7 integrate state health programs, and eventually participate in
8 the national health information technology network. This is one
9 of eight proposals being introduced in the legislature this year
10 designed to address the increasingly problematic medical
11 environment in Hawaii. Collectively, these eight legislative
12 proposals are known as "The Hawaii Doctor Recruitment and
13 Retention Action Plan of 2009".

14 SECTION 2. Chapter 321, Hawaii Revised Statutes, is
15 amended by adding a new part to be appropriately designated and
16 to read as follows:

17 "PART . HEALTH INFORMATION EXCHANGE

18 §321-A Definitions. Whenever used in this part, unless
19 the context otherwise requires:

20 "Council" shall mean the ehealth council as established by
21 section 321-D.

22 "Department" means the department of health.



1 "Director" means the director of health.

2 "Health care facility" has the meaning as defined in
3 section 323D-2.

4 "Health care provider":

5 (1) Means a physician or surgeon or osteopathic physician
6 or surgeon licensed under chapter 453, a dentist
7 licensed under chapter 448, a podiatrist licensed
8 under chapter 463E, a health care facility as defined
9 under section 323D-2, and any of their employees.

10 (2) Shall not mean any nursing institution or nursing
11 service conducted by and for those who rely upon
12 treatment by spiritual means through prayer alone, or
13 employees of these institutions or services.

14 "Fund" means the health information exchange special fund
15 as established under this part.

16 "Network" means the health information exchange network as
17 established under this part.

18 "Office" means the office of state coordinator of health
19 information exchange as established under this part.

20 "Rural or underserved areas" means any community or island
21 having a population under five hundred thousand and that lacks
22 adequate access to basic health care.



1 §321-B Office of state coordinator of health information
2 exchange; establishment. There is established within the
3 department of health the office of state coordinator of health
4 information exchange. The office shall:

- 5 (1) Coordinate local efforts, identify funding sources and
6 integrate with state health programs, including but
7 not limited to medicaid, workers' compensation,
8 temporary assistance to needy families, and the state
9 children's health insurance program, and integrate
10 with federal health programs, including but not
11 limited to the national health information technology
12 network;
- 13 (2) Provide governance and guidance for health information
14 exchange;
- 15 (3) Collaborate with the Hawaii medical board to develop
16 criteria for physicians that require the use of
17 information technologies that facilitate improved care
18 and reduced medical errors;
- 19 (4) Develop risk management policies and procedures and
20 liability limits for physicians and hospitals that
21 contribute data to the health information exchange;



- 1 (5) Implement a statewide strategic plan for health
2 information exchange; and
- 3 (6) Convene annual council meetings comprised of
4 representatives including but not limited to the
5 medical, insurance, and legal fields, and county,
6 state, and federal governments; and
- 7 (7) Administer the statewide health information exchange
8 system.

9 The office of state coordinator of health information exchange
10 shall also administer a health information exchange network that
11 will allow physicians to access medicaid patients' electronic
12 health records, including but not limited to pharmacy
13 information, laboratory results, and any other information on
14 record that will improve patient care.

15 **§321-C Health information exchange network; establishment.**

16 (a) The office of state coordinator of health information
17 exchange shall develop and implement a health information
18 exchange network for medicaid recipients and other low-income
19 uninsured residents of the State. The health information
20 exchange network shall:

- 21 (1) Implement and maintain an electronic system that
22 allows physicians and other health care providers



1 statewide to access electronic health records and
2 other patient information that will improve patient
3 care, including but not limited to pharmacy
4 information, laboratory results, and medical
5 histories;

6 (2) Develop a mechanism to evaluate, promote, and improve
7 the quality of health and health care delivered to the
8 medicaid and low-income uninsured populations through
9 the use of quality performance measures, evidence-
10 based standards of care, and other measurements that
11 facilitate quality improvement; and

12 (3) Develop an enhanced medicaid reimbursement methodology
13 to compensate network participants at a level that
14 ensures provider participation and success.

15 (b) The department shall make use of any public or private
16 funding available for the purpose described under subsection
17 (a), including but not limited to the Centers for Medicare and
18 Medicaid Services transformation grant.

19 (c) All network participants in the health information
20 exchange network shall be required to adopt an interoperable
21 electronic system. Reimbursements for expenses incurred in



1 adopting or acquiring new electronic systems, or both, may be
2 allowed to participants serving rural or underserved areas.

3 (d) No later than June 30, 2012, the department of health
4 shall expand the health information exchange network to include
5 all state employees in addition to all medicaid and low-income
6 uninsured residents.

7 **§321-D Council; establishment.** (a) The office of state
8 coordinator of health information exchange shall convene an
9 annual council to be comprised of at least the following:

- 10 (1) A representative from the medical industry;
- 11 (2) A representative from the legal profession;
- 12 (3) A representative from the insurance industry;
- 13 (4) A representative from the technology industry;
- 14 (5) One majority member of the house of representatives;
- 15 (6) One minority member of the house of representatives;
- 16 (7) One majority member of the senate;
- 17 (8) One minority member of senate;
- 18 (9) The director of health or a designee;
- 19 (10) The director of human services or a designee;
- 20 (11) The director of commerce and consumer affairs or a
21 designee;



1 (12) The director of business, economic development, and
2 tourism or a designee; and

3 (13) Any other stakeholders who wish to participate.

4 The council chairperson shall be selected by the members of the
5 council and shall serve for a term of one year. Council members
6 shall serve without compensation but shall be reimbursed for
7 expenses, including travel expenses, necessary for the
8 performance of their duties.

9 (b) The council shall develop a ten-year strategic plan
10 for the office of state coordinator of health information
11 exchange and the health information exchange network that shall
12 include but not be limited to:

13 (1) An education and awareness campaign;

14 (2) Identification of additional structural or financial
15 resources that can be utilized to enhance the health
16 information exchange network; and

17 (3) Establishing specific goals and guidelines to be used
18 to measure quality and standards of health and health
19 care.

20 (c) The council shall meet no less than once a year. All
21 council meetings shall be subject to chapters 91 and 92.



1 §321-E Health information exchange special fund;
2 establishment. (a) There is established within the state
3 treasury, to be administered by the department of health, the
4 health information exchange special fund into which shall be
5 deposited:

- 6 (1) Legislative appropriations;
- 7 (2) Federal funds designated for a health information
8 exchange;
- 9 (3) Grant moneys secured for a health information
10 exchange; and
- 11 (4) Any other revenues designated for the fund.

12 (b) Moneys in the health information exchange special fund
13 shall be expended for the following purposes:

- 14 (1) The cost of administering the office of state
15 coordinator of health information exchange, including
16 salary and benefits of employees, computer costs,
17 including software and infrastructure, and any
18 contracted services related to administering the
19 office;
- 20 (2) The cost of administering annual council meetings;
- 21 (3) Reimbursement for expenses incurred by health
22 information exchange network participants for adopting



1 or acquiring new electronic systems, or both; provided
2 that those participants serve rural or underserved
3 areas of the State; and

4 (4) Any other purpose deemed necessary by the department
5 for the purpose of operating and administering this
6 part.

7 All interest on fund balances shall accrue to the fund. Upon
8 dissolution of the fund, any unencumbered moneys in the fund
9 shall lapse into the general fund."

10 SECTION 3. (a) The department of health shall assess:

11 (1) The effectiveness of the office of state coordinator
12 of health information exchange, the health information
13 exchange network, and the ehealth council as
14 established under part of chapter 321, Hawaii
15 Revised Statutes, in:

16 (A) Providing physicians and health care providers
17 with secure electronic access to patient
18 information;

19 (B) Increasing health care access and quality;

20 (C) Decreasing health care costs; and

21 (D) Securing of outside funding for the program;



1 (2) The impact of the health information exchange program
2 on increasing access and quality of health care in the
3 State and on decreasing health care costs; and

4 (3) The impact of the health information exchange on
5 reducing medical errors and the cost of medical
6 malpractice insurance rates in the State.

7 (b) The department of health shall submit an assessment to
8 the legislature no later than twenty days prior to the convening
9 of the regular session of 2010, and each year for nine years
10 thereafter until the regular session of 2019; provided that the
11 department of health shall submit biennial assessments to the
12 legislature beginning with the regular session of 2020, and
13 thereafter.

14 SECTION 4. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$1 or so much thereof
16 as may be necessary for fiscal year 2011-2012 and the same sum
17 or so much thereof as may be necessary for fiscal year 2012-2013
18 for deposit into the health information exchange special fund.

19 SECTION 5. There is appropriated out of the health
20 information exchange special fund the sum of \$1 or so much
21 thereof as may be necessary for fiscal year 2011-2012 for the
22 purposes of the fund.

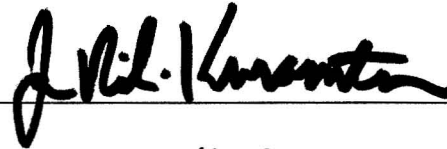


1 The sums appropriated shall be expended by the department
2 of health.

3 SECTION 6. This Act shall take effect on July 1, 2009;
4 provided that sections 4 and 5 take effect on July 1, 2011.

5

INTRODUCED BY:



JAN 28 2009



Report Title:

Health Information Exchange

Description:

Creates an office of state coordinator of health information exchange within the department of health and creates a health information exchange program. Makes appropriations.

