

Senate Bill No. 320

Passed the Senate September 6, 2007

Secretary of the Senate

Passed the Assembly September 5, 2007

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2007, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 130302 and 130317 of, and to add Part 4 (commencing with Section 1000) to Division 1 of, the Health and Safety Code, relating to health care, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 320, Alquist. California Health Care Information Infrastructure Program.

Under existing law, the State Department of Health Care Services, the State Department of Public Health, and the California Health and Human Services Agency have various responsibilities relating to the provision of health care.

Existing federal law, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), establishes certain requirements relating to the provision of health insurance.

The Health Insurance Portability and Accountability Implementation Act of 2001 requires the Office of HIPAA Implementation, established within the California Health and Human Services Agency, to perform specified activities required for compliance with this federal act.

Existing law terminates the Office of HIPAA Implementation on January 1, 2008.

This bill would extend the repeal date to January 1, 2013, and would rename that office the California Office of HIPAA Implementation or CalOHI. The bill would require CalOHI, in consultation with the State Department of Health Care Services, the State Department of Public Health, the Department of Corrections and Rehabilitation, statewide health care information organizations, including the California Regional Health Information Organization (CalRHIO) and the California Healthcare Foundation, the State Chief Information Officer, the State Department of Mental Health, the California Public Employees' Retirement System, the Managed Risk Medical Insurance Board, and the Department of Managed Health Care, no later than March 1, 2009, to develop a plan for implementation of the California Health Care Information Infrastructure Program, and deliver the plan to the Legislature.

The program would seek to provide the opportunity for every resident of the state to have an electronic health record. The bill would specify the required elements of the plan. Implementation of the plan would be contingent upon enactment of subsequent statutory authorization. The bill would set forth the other responsibilities of the lead agency that administers the program, including, among others, conducting research, implementing pilot projects as necessary, and pursuing necessary waivers to enable the Medi-Cal program to participate in the statewide information technology infrastructure program.

This bill would authorize the lead agency that administer the program to receive and expend various forms of funding, excluding state General Fund moneys, to be deposited in the continuously appropriated Health Care Infrastructure Fund, which would be used by the office for purposes of the bill. It would establish a \$350,000 maximum on expenditures for the 2008 calendar year.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares as follows:

(a) Health care cost inflation, coupled with an aging California population, is projected to create potentially unsustainable deficits.

(b) Employers, governments, and individuals face similar financial pressures as health care costs continue to increase faster than incomes.

(c) California has a large uninsured population and opportunities to improve the efficiency and quality of care for the underserved.

(d) Health care providers are poorly equipped, for the most part, for the growing crisis. Most health care providers lack the information technology and systems necessary to keep pace with an increasing body of medical knowledge and patient care data.

(e) Information technology and systems to help health care providers deal with issues associated with coordinating care across medical and social models, as well as with other providers, are underutilized.

(f) Information technology and systems designed to assist with compliance of health directives with disease prevention and management guidelines are underutilized.

(g) Information technology and systems could assist with measuring and improving health care performance and patient outcomes.

(h) Well connected information technology and systems could assist in rapidly detecting and responding to bioterrorism and pandemics.

(i) Use of electronic health records could save as much as \$8 billion annually in California through improvements in health care delivery efficiency. Health information technology-enabled improvements in disease prevention and management could more than double those savings, while lowering age-adjusted mortality by as much as 18 percent and reducing annual employee sick days.

(j) There is a need to create technician training programs in the community college system to meet the need for a trained health information technology workforce.

SEC. 2. Part 4 (commencing with Section 1000) is added to Division 1 of the Health and Safety Code, to read:

PART 4. CALIFORNIA HEALTH CARE INFORMATION INFRASTRUCTURE PROGRAM

1000. For purposes of this part, the following terms shall apply:

(a) “Electronic health record” means a secure, real-time, point-of-care, patient-specific information resource that assists a health care provider in making a decision by providing access to the patient’s health information, including a personal health record, when needed, and that incorporates evidence-based decision support.

(b) “Personal health record” means an electronic, universally interoperable, resource of health information based upon an individual patient’s health history that is available to the patient throughout his or her life and is needed by an individual to make informed health decisions. The personal health record is stored and maintained in a secure, private environment and only the individual patient may determine rights of access to the record. The personal health record is separate from, and does not replace, the records of a provider.

(c) “Program” means the California Health Care Information Infrastructure Program.

1001. (a) The California Office of HIPAA Implementation (CalOHI), established within the California Health and Human Services Agency as set forth in subdivision (c) of Section 130302, in consultation with the State Department of Health Care Services, the State Department of Public Health, the Department of Corrections and Rehabilitation, statewide health care information organizations, including the California Regional Health Information Organization (CalRHIO) and the California Healthcare Foundation, health care providers and industry, the State Chief Information Officer, the State Department of Mental Health, the California Public Employees' Retirement System, the Managed Risk Medical Insurance Board, and the Department of Managed Health Care, shall in accordance with subdivision (b) develop a plan for implementing the California Health Care Information Infrastructure Program, as provided in this part. The purposes of the program are to provide all Californians with a personal health record and an electronic health record, to improve the quality, safety, and efficiency of health care in California, and to reduce the cost of health care through the advancement of health information technology.

(b) No later than March 1, 2009, and updated annually thereafter, the CalOHI shall develop and deliver to the Legislature a strategic plan, which shall include the following elements:

(1) An assessment of the appropriate agency that should be designated as the lead agency responsible for administering the program.

(2) The process by which the state should adopt standards to work in concert with federal health care initiatives and promote the use of electronic health records and personal health records, which shall be consistent with applicable federal law.

(3) The identification of resources to assist health care providers in adopting standards or promoting electronic health records and personal health records.

(4) The identification of incentives that encourage the adoption and use of personal health records and electronic health records, including a study of alternative Medi-Cal reimbursement strategies, pay-for-performance strategies, and tax incentives.

(5) Aligned educational and training programs to produce sufficient and adequately trained health information technology technicians, and other workers.

(6) An inventory of state health information technology resources and their potential role in the overall health information infrastructure.

(7) An assessment on how the State Department of Mental Health, the Managed Risk Medical Insurance Board, and the Department of Corrections and Rehabilitation can benefit from increased adoption of health information technology.

(8) Evaluation of voluntary approaches to data interchange and adoption of electronic health records and personal health records, and identification of potential future actions that the state may undertake if a voluntary approach proves ineffective.

(9) A review of how various state and federal antikickback and consumer protection laws affect health information technology, deployment and adoption, and of recommendations for related changes in state law.

(c) The implementation of any plan pursuant to this section shall be contingent upon the enactment of subsequent statutory authorization.

1002. Responsibilities of the lead agency that administers the California Health Care Information Infrastructure Program shall include, but shall not be limited to, all of the following:

(a) Providing leadership in the deployment of health information technology to help ensure that every state resident receives care that is safe, effective, patient-centered, timely, efficient, and equitable.

(b) Serving as a forum for the exchange of ideas and consensus building regarding the advancement of health information infrastructure and health care applications.

(c) Conducting research to identify innovative health care applications, using information technology and systems to improve patient care and reduce the cost of care, including applications to support disease management, evidence-based care, and personal health management.

(d) Upon enactment of subsequent statutory authorization, implementing pilot projects to determine the impact of various health care applications using information technology and systems on the quality of patient care and the cost of health care.

(e) Facilitating the adoption of health information technology and systems.

(f) Facilitating the integration of the health information infrastructure with other information infrastructure development, to work in concert with other initiatives and privacy standards.

(g) Recommending policies and standards to ensure that the security and confidentiality of health information are consistent with applicable federal law.

(h) Pursuing any necessary waivers through the State Department of Health Care Services to enable the Medi-Cal program to pay its share of investments in statewide information technology infrastructure, provide financial incentives to providers who use health information technology, and add telemedicine as a covered service.

(i) Identifying strategies to accelerate adoption and use of standards-based electronic health records and value-based pay for performance.

(j) Facilitating the coordination of appropriate state agencies and departments with regional health information exchange network and monitoring systems to assess adoption patterns and needs.

(k) Identifying ways to decrease the risks of health information technology adoption and networking.

(l) Coordinating with private sector initiatives that are consistent with the purposes of the authority.

(m) Consulting with consumer privacy organizations to ensure that consumers' private information is protected.

(n) Assessing the availability of trained health information technicians and, if necessary, supporting the expansion of appropriate training opportunities in educational systems.

1003. (a) The lead agency that administers the program may receive and expend federal funds, gifts, grants, revolving funds, and any other public or private funds, but not including state General Fund moneys, for the purposes of implementing this part.

(b) Any moneys obtained pursuant to subdivision (a) shall be deposited into the Health Care Information Infrastructure Fund, which is hereby created in the State Treasury.

(c) Notwithstanding Section 13340 of the Government Code, the Health Care Infrastructure Fund is hereby continuously appropriated to CalOHI for the purposes of implementing this part. It is the intent of the Legislature, at such time as the lead agency for implementation of the program has been designated pursuant

to statutory authorization, that the Legislature shall, instead, provide for the appropriation of the Health Care Infrastructure Fund to the lead agency.

SEC. 3. Section 130302 of the Health and Safety Code is amended to read:

130302. For the purposes of this division, the following definitions apply:

(a) “Director” means the Director of the Office of HIPAA Implementation.

(b) “HIPAA” means the federal Health Insurance Portability and Accountability Act.

(c) “Office” or “CalOHI” means the California Office of HIPAA Implementation established by the office of the Governor in the Health and Human Services Agency.

(d) “State entities” means all state departments, boards, commissions, programs, and other organizational units of the executive branch of state government.

SEC. 4. Section 130317 of the Health and Safety Code is amended to read:

130317. This division shall remain in effect only until January 1, 2013, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2013, deletes or extends that date.

SEC. 5. The expenditures for implementation of Part 4 (commencing with Section 1000) of Division 1 of the Health and Safety Code, as contained in Section 2 of this act, from January 1, 2008, to December 31, 2008, inclusive, shall not exceed three hundred fifty thousand dollars (\$350,000).

Approved _____, 2007

Governor