

**Introduced by Senator Alquist**February 24, 2009

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An act to add Sections 1253.2, 1379.2, and 1379.6 to the Health and Safety Code, and to add Section 10127.45 to the Insurance Code, relating to health care.

## LEGISLATIVE COUNSEL'S DIGEST

SB 270, as introduced, Alquist. Health information technology.

Existing law provides for the licensure and regulation of health facilities by the State Department of Public Health. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance.

This bill, on and after January 1, 2011, would require a state agency that contracts with a health care provider, a health care service plan, or a health insurer to include in the contract a provision requiring the provider, plan, or insurer, when implementing, acquiring, or upgrading its health information technology systems, to utilize systems and products that meet federal standards for interoperability and implementation specifications, where available.

Existing law requires that contracts between health care service plans and providers be in writing and provides for the reimbursement of covered services rendered by providers.

This bill, on and after January 1, 2011, would require a health care service plan to offer additional compensation to contracted providers for improved patient outcomes and coordination of care resulting from the meaningful use of health information technology. The bill would

require plans to report a schedule of that compensation to the department.

Because a willful violation of the bill’s provisions relating to health care service plans would be a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

1 SECTION 1. Section 1253.2 is added to the Health and Safety  
2 Code, to read:

3 1253.2. (a) On and after January 1, 2011, a state agency that  
4 contracts with a health care provider shall include in the contract  
5 a provision requiring the provider to utilize health information  
6 technology systems and products that meet federal standards for  
7 interoperability and implementation specifications, where available,  
8 when the provider implements, acquires, or upgrades those systems.

9 (b) For purposes of this section, the following definitions apply:

10 (1) “Health care provider” means any professional person,  
11 medical group, independent practice association, organization,  
12 health care facility, or other person or institution licensed or  
13 authorized by the state to deliver or furnish health services.

14 (2) “State agency” means any office, officer, department,  
15 division, bureau, board, commission, or agency of the state.

16 SEC. 2. Section 1379.2 is added to the Health and Safety Code,  
17 to read:

18 1379.2. On and after January 1, 2011, a health care service  
19 plan shall offer additional compensation to contracted providers  
20 for improved patient outcomes and coordination of care resulting  
21 from the meaningful use of health information technology. A health  
22 care service plan shall file a schedule of this additional  
23 compensation with the department.

24 SEC. 3. Section 1379.6 is added to the Health and Safety Code,  
25 to read:

1 1379.6. (a) On and after January 1, 2011, a state agency that  
2 contracts with a health care service plan shall include in the contract  
3 a provision requiring the plan to utilize health information  
4 technology systems and products that meet federal standards for  
5 interoperability and implementation specifications, where available,  
6 when the plan implements, acquires, or upgrades those systems.

7 (b) For purposes of this section, “state agency” means any office,  
8 officer, department, division, bureau, board, commission, or agency  
9 of the state.

10 SEC. 4. Section 10127.45 is added to the Insurance Code, to  
11 read:

12 10127.45. (a) On and after January 1, 2011, a state agency  
13 that contracts with a health insurer shall include in the contract a  
14 provision requiring the insurer to utilize health information  
15 technology systems and products that meet federal standards for  
16 interoperability and implementation specifications, where available,  
17 when the insurer implements, acquires, or upgrades those systems.

18 (b) For purposes of this section, “state agency” means any office,  
19 officer, department, division, bureau, board, commission, or agency  
20 of the state.

21 SEC. 5. No reimbursement is required by this act pursuant to  
22 Section 6 of Article XIII B of the California Constitution because  
23 the only costs that may be incurred by a local agency or school  
24 district will be incurred because this act creates a new crime or  
25 infraction, eliminates a crime or infraction, or changes the penalty  
26 for a crime or infraction, within the meaning of Section 17556 of  
27 the Government Code, or changes the definition of a crime within  
28 the meaning of Section 6 of Article XIII B of the California  
29 Constitution.