

AMENDED IN SENATE APRIL 23, 2009

SENATE BILL

No. 270

Introduced by Senator Alquist

February 24, 2009

~~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. An act to add Division 109.5 (commencing with Section 130250) to the Health and Safety Code, relating to public health.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 270, as amended, Alquist. ~~Health information technology. Information Technology Advisory Panel.~~

Existing law establishes the Office of Health Information Integrity within the California Health and Human Services Agency to ensure the enforcement of state law mandating confidentiality of medical information and to impose administrative fines for the unauthorized use of medical information.

This bill would, in addition, establish the Health Information Technology Advisory Panel to advise the Governor and the Legislature on health information technology implementation. This bill would provide for the appointment of panel members, establish the qualifications of members, and set forth the duties of the panel.

~~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-no*.

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

- 1 *SECTION 1. Division 109.5 (commencing with Section 130250)*
- 2 *is added to the Health and Safety Code, to read:*
- 3
- 4 *DIVISION 109.5. HEALTH INFORMATION TECHNOLOGY*
- 5 *ADVISORY PANEL*
- 6
- 7 *130250. (a) There is hereby created a health information*
- 8 *technology advisory panel to advise the Governor and the*
- 9 *Legislature on health information technology implementation in*
- 10 *California. The panel shall be composed of the following voting*
- 11 *members:*

- 1 (1) *Two representatives of consumers, one of whom shall have*
2 *expertise in privacy and security of health information.*
- 3 (2) *One representative from a hospital.*
- 4 (3) *One representative from a primary care clinic.*
- 5 (4) *One representative from a health plan or health insurer.*
- 6 (5) *Two representatives from a medical group, one of whom*
7 *shall represent a group of specialists.*
- 8 (6) *Two representatives from health care professions who are*
9 *not physicians.*
- 10 (7) *One representative who is a solo or small group physician.*
- 11 (8) *One representative who is a physician who is part of an*
12 *independent physician association.*
- 13 (9) *One representative who has expertise in telemedicine or*
14 *telehealth.*
- 15 (10) *Two representatives from institutions of higher education*
16 *that offer medical or clinical education or health informatics, one*
17 *of whom represents a public institution.*
- 18 (11) *One representative from the California Council on Science*
19 *and Technology.*
- 20 (12) *One representative from a nonprofit entity who has*
21 *demonstrated expertise in health information technology.*
- 22 (13) *One representative with expertise in the use of health*
23 *information technology to manage chronic disease.*
- 24 (b) *Of the panel members as provided for in subdivision (a) the*
25 *Governor shall appoint __ members, the Senate Committee on*
26 *Rules shall appoint __ members, and the Speaker of the Assembly*
27 *shall appoint __ members.*
- 28 (c) *The following shall also participate in the panel as ex officio,*
29 *nonvoting members:*
- 30 (1) *The Secretary of Business, Transportation and Housing, or*
31 *his or her designee.*
- 32 (2) *The Secretary of Health and Human Services, or his or her*
33 *designee.*
- 34 (3) *The chair of the Senate Committee on Health, or his or her*
35 *designee.*
- 36 (4) *The chair of the Assembly Committee on Health, or his or*
37 *her designee.*
- 38 130251. (a) *Voting members shall have demonstrated expertise*
39 *in the provision, use, or deployment of health information*

1 *technologies to providers, provider groups, provider facilities,*
2 *consumers, patients, or communities.*

3 *(b) The initial term of voting members shall be staggered, with*
4 *eight members being appointed for a two-year term and nine*
5 *members being appointed for a four-year term. Upon the expiration*
6 *of the initial term, all voting members shall be appointed for a*
7 *four-year term.*

8 *(c) The panel shall elect, from among its members, a chair who*
9 *shall regularly report to the Governor and the Legislature on*
10 *behalf of the panel.*

11 *130252. (a) The panel shall do all of the following:*

12 *(1) Make recommendations to maximize the state's eligibility*
13 *and award of federal stimulus funds, authorized by the American*
14 *Recovery and Reinvestment Act of 2009 (ARRA) (Public Law*
15 *111-5), related to the use of health information technology.*

16 *(2) Advise the Governor and the Legislature on a mechanism*
17 *for designating a nonstate entity, and whether such a nonstate*
18 *entity is desirable, for executing tasks related to accessing federal*
19 *stimulus funds made available through ARRA.*

20 *(3) Make recommendations to ensure that safety net providers*
21 *have access to federal stimulus funds for which they are eligible.*

22 *(4) Make recommendations for sources necessary to match*
23 *federal dollars in the award of funds made available through*
24 *ARRA.*

25 *(5) Make recommendations for working with higher education*
26 *entities to incorporate medical informatics and health care*
27 *information enterprise integration into the higher education*
28 *curriculum, and information technology into clinical education.*

29 *(6) Make recommendations for standards and certification to*
30 *federal policy makers and the Office of the National Coordinator*
31 *for Health Information Technology in the federal Department of*
32 *Health and Human Services.*

33 *(7) Make recommendations on qualifications for centers in the*
34 *state that may provide technical assistance and best practices*
35 *related to health information technology.*

36 *(8) Make recommendations to ensure that providers have access*
37 *to information on federal incentive payments available under*
38 *ARRA, including understanding of "meaningful use" as defined*
39 *in federal law.*

1 (9) Meet at least monthly in the first year, and, thereafter, as
2 deemed necessary by the chair.

3 (b) The panel shall make a recommendation in 2014 whether
4 continued need for the advisory panel exists beyond 2016.

5 (c) All members of the advisory panel shall serve without
6 compensation. Members of the panel shall be reimbursed for all
7 necessary travel expenses associated with the activities of the
8 panel. Consumer representatives on the panel may receive per
9 diem compensation if they are otherwise economically unable to
10 attend and participate in panel activities.

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

13 1253.2. (a) On and after January 1, 2011, a state agency that
14 contracts with a health care provider shall include in the contract
15 a provision requiring the provider to utilize health information
16 technology systems and products that meet federal standards for
17 interoperability and implementation specifications, where available,
18 when the provider implements, acquires, or upgrades those systems.

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

20 (1) "Health care provider" means any professional person,
21 medical group, independent practice association, organization,
22 health care facility, or other person or institution licensed or
23 authorized by the state to deliver or furnish health services.

24 (2) "State agency" means any office, officer, department,
25 division, bureau, board, commission, or agency of the state.

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

28 1379.2. On and after January 1, 2011, a health care service
29 plan shall offer additional compensation to contracted providers
30 for improved patient outcomes and coordination of care resulting
31 from the meaningful use of health information technology. A health
32 care service plan shall file a schedule of this additional
33 compensation with the department.

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

36 1379.6. (a) On and after January 1, 2011, a state agency that
37 contracts with a health care service plan shall include in the contract
38 a provision requiring the plan to utilize health information
39 technology systems and products that meet federal standards for

1 interoperability and implementation specifications, where available,
2 when the plan implements, acquires, or upgrades those systems.

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

6 ~~SEC. 4. Section 10127.45 is added to the Insurance Code, to~~
7 ~~read:~~

8 ~~10127.45. (a) On and after January 1, 2011, a state agency~~
9 ~~that contracts with a health insurer shall include in the contract a~~
10 ~~provision requiring the insurer to utilize health information~~
11 ~~technology systems and products that meet federal standards for~~
12 ~~interoperability and implementation specifications, where available,~~
13 ~~when the insurer implements, acquires, or upgrades those systems.~~

14 ~~(b) For purposes of this section, “state agency” means any office,~~
15 ~~officer, department, division, bureau, board, commission, or agency~~
16 ~~of the state.~~

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