
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 8

Session of
2007

INTRODUCED BY WONDERLING, CORMAN, ERICKSON, PILEGGI, VANCE,
GORDNER, TARTAGLIONE, BOSCOLA, STACK, FERLO, RAFFERTY, STOUT,
ARMSTRONG, COSTA, KITCHEN, PIPPY, BROWNE, BRUBAKER, BAKER,
ORIE, WOZNIAK, M. WHITE, RHOADES, FONTANA, C. WILLIAMS AND
WASHINGTON, MARCH 14, 2007

AS AMENDED ON SECOND CONSIDERATION, JUNE 4, 2007

AN ACT

1 Establishing the Medical Safety Automation ~~Account~~ FUND; and ←
2 providing grants to implement medical safety automation
3 systems.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Medical
8 Safety Automation Fund (M-SAF) Act.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall
11 have the meanings given to them in this section unless the
12 context clearly indicates otherwise:

13 "Community-based health care provider." Any of the following
14 nonprofit health care centers which provide primary health care
15 services:

16 (1) A federally qualified health center as defined in

1 section 1905(1)(2)(B) of the Social Security Act (49 Stat.
2 620, 42 U.S.C. § 1396d(1)(2)(B).

3 (2) A rural health clinic as defined in section
4 1861(aa)(2) of the Social Security Act (49 Stat. 620, 42
5 U.S.C. § 1395x(aa)(2)), certified by Medicare.

6 (3) A freestanding hospital clinic serving a federally
7 designated health care professional shortage area.

8 (4) A free or partial-pay health clinic which provides
9 services by volunteer medical providers.

10 "Department." The Department of Health of the Commonwealth.

11 "Health care provider." A health care facility or health
12 care practitioner as defined in the act of July 19, 1979
13 (P.L.130, No.48), known as the Health Care Facilities Act, a
14 group practice or a community-based health care provider.

15 "Health information." The medical records of a patient.

16 "Health information technology." The application of
17 information processing utilizing products, devices, including
18 hardware and software, or systems that allow for the electronic
19 collection, storage, retrieval, exchange, sharing, management or
20 use of health information.

21 "Health insurer." Any of the following providers of health
22 care insurance coverage:

23 (1) An insurer licensed under the act of May 17, 1921
24 (P.L.682, No.284), known as The Insurance Company Law of
25 1921.

26 (2) A health maintenance organization as defined in the
27 act of December 29, 1972 (P.L.1701, No.364), known as the
28 Health Maintenance Organization Act.

29 (3) A not-for-profit health plan corporation operating
30 pursuant to 40 Pa.C.S. Chs. 61 (relating to health plan

1 corporations) and 63 (relating to professional health
2 services plan corporations).

3 "Interoperability." The ability to communicate and exchange
4 data accurately, effectively, securely and consistently among
5 different technology systems, software applications and networks
6 in a way that maintains and preserves the clinical purpose of
7 the data.

8 "Medical safety automation system." An automated,
9 interoperable system that utilizes health information technology
10 to integrate health information, clinical activities and data
11 sharing in any of the following areas: pharmacy ordering and
12 tracking, laboratory testing and results, physician order
13 management, access by clinicians, access by consumers,
14 telemedicine, data sharing among health care facilities,
15 physicians and health insurers or other transaction monitoring
16 or health information exchange that promotes patient safety and
17 efficiency in the delivery of health care.

18 "Program." The medical safety automation program established
19 under section 3.

20 "Regional health information organization." A not-for-profit
21 organization that adopts bylaws, memoranda of understanding or
22 other charter documents that provide for the establishment of a
23 governance structure and processes and enable participation by
24 multiple health care providers in the development of a medical
25 safety automation program.

26 Section 3. Medical safety automation program.

27 (a) Establishment.--A medical safety automation program is
28 hereby established to provide grants to health care providers or
29 to regional health information organizations to implement
30 medical safety automation systems.

1 (b) Grants.--The medical safety automation program shall
2 provide grants to health care providers and regional medical
3 safety automation organizations for the following:

4 (1) Purchase of health information or telecommunications
5 technology necessary to create an interoperable and
6 integrated medical safety automation system.

7 (2) Payment of costs and expenses associated with
8 preparation of plans, specifications, studies and surveys
9 necessary to determine the scope of a medical safety
10 automation system and the practicality and effectiveness of
11 its use.

12 (3) Training of physicians and personnel in the use of a
13 medical safety automation system.

14 (c) Standards.--A health care provider or regional health
15 information organization must comply with standards adopted by
16 the Federal Office of the National Coordinator for Health
17 Information Technology, including all standards relating to
18 interoperability. A health care provider or regional health
19 information organization that is in compliance with the
20 standards of the Office of the National Coordinator for Health
21 Information Technology shall be eligible to receive a grant
22 under this act.

23 (d) Formula.--The department shall develop a methodology to
24 determine the grant amount to be awarded. For a hospital health
25 care provider that is a hospital, the methodology shall take
26 into account the number of medical assistance days as a
27 percentage of total inpatient days based on the most recent
28 available data, the financial need of the hospital based on net
29 patient revenue and other factors as determined by the
30 department. The department shall develop a similar methodology

1 for other health care providers.

2 (e) Limitation.--The amount of a grant to any specific
3 health care provider or regional medical safety automation
4 organization under this program shall not exceed \$1,000,000. No
5 less than 60% of available funds shall be used for grants to
6 health care providers in counties of the fourth, fifth, sixth,
7 seventh or eighth class.

8 (f) Matching funds.--An applicant for a grant under this
9 section shall provide matching funds in the amount of 100% of
10 the amount of the grant. If the applicant is a community-based
11 health care provider, the applicant shall provide matching funds
12 in the amount of 50% of the amount of the grant.

13 (g) Term.--A grant under this section shall be for a term
14 not to exceed two years.

15 Section 4. Fund.

16 A restricted receipt account is hereby established in the
17 State Treasury to be known as the Medical Safety Automation
18 Fund. The following shall be deposited into the fund:

19 (1) Money appropriated to the fund by the General
20 Assembly.

21 (2) Earnings derived from the investment of the money in
22 the account, after deducting investment expenses.

23 Section 5. Eligibility.

24 In order to be eligible for a grant under this act, a health
25 care provider must provide medically necessary services to
26 individuals regardless of the individual's ability to pay for
27 the services and must be a participating provider with the
28 Department of Public Welfare of services to individuals eligible
29 for medical assistance.

30 Section 6. Application.

1 (a) Submission.--In order to be eligible to receive a grant
2 under this act, a health care provider or regional medical
3 safety automation organization shall submit an application in a
4 form and manner prescribed by the department.

5 (b) Requirements.--An application submitted under subsection
6 (a) shall set forth the manner in which the medical safety
7 automation system will do the following:

8 (1) Protect privacy and security of health information.

9 (2) Maintain and provide permitted access to health
10 information in an electronic format.

11 (3) Ensure compliance with standards adopted by the
12 department and the Office of the National Coordinator for
13 Health Information Technology.

14 (4) Improve health care quality, reduce health care
15 costs resulting from inefficiency, medical errors,
16 inappropriate care and incomplete information and advance the
17 delivery of patient-centered medical care.

18 (5) Ensure interoperability with other systems and
19 health care providers.

20 (6) Improve the coordination of care and information
21 among health care providers, health insurers and other
22 entities through an effective infrastructure for the secure
23 and authorized exchange of health care information.

24 (7) Improve public health reporting and facilitate the
25 early identification and rapid response to public health
26 threats and emergencies, including bioterror events and
27 infectious disease outbreaks.

28 (8) Facilitate health research.

29 (9) Promote prevention of chronic diseases.

30 (10) Provide for consumer access to personal medical

1 information.

2 (c) Additional information.--In addition to the application
3 the applicant shall provide:

4 (1) A feasibility study of the proposed medical safety
5 automation system.

6 (2) A business or financial plan that describes the
7 long-term sustainability, financial cost to the applicant and
8 the proposed benefits of the plan.

9 (3) A strategic plan and schedule for the development
10 and implementation of the medical safety automation system.

11 Section 7. Accountability.

12 (a) Information required.--Within one year of receipt of a
13 grant under this act, the recipient shall provide the following
14 to the department:

15 (1) A report on the status of the strategic plan and the
16 development of the medical safety automation system.

17 (2) An accounting of the expenditure of funds from the
18 grant and all funds received from other sources.

19 (3) A report on any reductions in medical errors,
20 increases in efficiency and advances in the delivery of
21 patient-centered medical care.

22 (b) Annual report.--The department shall submit an annual
23 report to the chairman and minority chairman of the Public
24 Health and Welfare Committee of the Senate and the chairman and
25 minority chairman of the Health and Human Services Committee of
26 the House of Representatives which shall include the number and
27 amount of grants awarded, a description of each medical safety
28 automation system being funded, the impact on the delivery of
29 medical care and the total amount of funds spent.

30 Section 8. Duties of department.

1 The department shall:

2 (1) Administer the medical safety automation program and
3 award grants from the fund.

4 (2) Facilitate the adoption and implementation of a
5 Statewide interoperable medical safety automation system
6 among all health care providers, health insurers and
7 consumers.

8 (3) Distribute grants among all geographic areas of this
9 Commonwealth.

10 (4) Adopt standards for a medical safety automation
11 system that are consistent with those developed by the Office
12 of the National Coordinator for Health Information Technology
13 and approved by the Secretary of the Department of Health and
14 Human Services.

15 (5) Within 90 days of the effective date of this act,
16 develop and provide an application form consistent with
17 section 6.

18 (6) Ensure that health information technology policy and
19 programs of the department are coordinated with the
20 Department of Public Welfare and other executive branch
21 agencies and Federal agencies to implement a medical safety
22 automation system for all health care-related programs
23 administered by the Commonwealth.

24 (7) Share all data relating to the use of medical safety
25 automation systems with the Department of Public Welfare, the
26 Health Care Cost Containment Council, the Patient Safety
27 Authority and other State agencies. The Health Care Cost
28 Containment Council and other State agencies shall share data
29 obtained from medical safety automation systems with the
30 department.

1 (8) Give preference to applications which provide
2 regional medical safety automation systems that link multiple
3 health care providers and which provide direct patient access
4 to health care information.

5 (9) Audit grants awarded pursuant to this act to ensure
6 that funds have been used in accordance with the terms and
7 standards adopted by the department.

8 (10) Provide ongoing assessment of the benefits and
9 costs of medical safety automation systems, to include
10 information relating to reduction in medical errors,
11 reduction in physician visits, economic impact, efficiencies
12 experienced and other information.

13 (11) Develop a public information program to inform the
14 public about the efficiency and safety advantages to be
15 achieved by the adoption of medical safety automation
16 systems.

17 Section 9. Effective date.

18 This act shall take effect in 60 days.