
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2564 Session of
2008

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MAY 27, 2008

REFERRED TO COMMITTEE ON HEALTH AND HUMAN SERVICES, MAY 27, 2008

AN ACT

1 Establishing the Medical Safety Automation Fund; and providing
2 grants to implement medical safety automation systems.

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

5 Section 1. Short title.

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

8 Section 2. Definitions.

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

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

15 (1) A federally qualified health center as defined in
16 section 1905(1)(2)(B) of the Social Security Act (49 Stat.

620, 42 U.S.C. § 1396d(1)(2)(B).

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

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

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

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

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

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

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

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

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

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

(3) A not-for-profit health plan corporation operating pursuant to 40 Pa.C.S. Chs. 61 (relating to health plan corporations) and 63 (relating to professional health

services plan corporations).

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

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

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

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

Section 3. Medical safety automation program.

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

(b) Grants.--The medical safety automation program shall

1 provide grants to health care providers and regional medical
2 safety automation organizations for the following:

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

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

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

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

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

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

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

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

14 Section 4. Fund.

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

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

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

22 Section 5. Eligibility.

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

29 Section 6. Application.

30 (a) Submission.--In order to be eligible to receive a grant

1 under this act, a health care provider or regional medical
2 safety automation organization shall submit an application in a
3 form and manner prescribed by the department.

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

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

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

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

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

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

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

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

27 (8) Facilitate health research.

28 (9) Promote prevention of chronic diseases.

29 (10) Provide for consumer access to personal medical
30 information.

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

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

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

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

Section 7. Accountability.

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

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

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

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

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

Section 8. Duties of department.

The department shall:

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

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

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

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

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

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

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

30 (8) Give preference to applications which provide

1 regional medical safety automation systems that link multiple
2 health care providers and which provide direct patient access
3 to health care information.

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

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

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

16 Section 9. Effective date.

17 This act shall take effect in 60 days.