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THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2106 Session of 2009

INTRODUCED BY R. TAYLOR, DeLUCA, BARBIN, BELFANTI, BROWN, BURNS, D. COSTA, FABRIZIO, FRANKEL, FREEMAN, GIBBONS, HORNAMAN, HUTCHINSON, JOHNSON, JOSEPHS, LENTZ, LONGIETTI, MANN, MATZIE, McILVAINE SMITH, MELIO, MUNDY, MURPHY, PASHINSKI, SHAPIRO, SIPTROTH, SONNEY, SWANGER, THOMAS, YOUNGBLOOD AND BRADFORD, NOVEMBER 23, 2009

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 22, 2010

AN ACT

Establishing the Pennsylvania Health Information Exchange Authority and the Health Information Technology Fund; and providing for grants and loans for health information technology and for duties of the Department of ~~Health~~ COMMUNITY AND ECONOMIC DEVELOPMENT.

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

CHAPTER 1

PRELIMINARY PROVISIONS

Section 101. Short title.

This act shall be known and may be cited as the Health Information Technology Act.

Section 102. Definitions.

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

"Clinical decision support system." An interactive computer

system that assists health care providers in applying new information to patient care through the analysis of patient-specific clinical variables.

"Community-based health care clinic." A nonprofit health care center located in this Commonwealth providing comprehensive health care services without regard for a patient's ability to pay and:

(1) meets either of the following criteria:

(i) serves a federally designated medically underserved area, a medically underserved population or a health professional shortage area; or

(ii) serves a patient population with a majority of that population having an income less than 200% of the Federal poverty income guidelines; and

(2) includes any of the following:

(i) a federally qualified health center as defined in section 1905(1)(2)(B) of the Social Security Act (49 Stat. 620, 42 U.S.C. § 1396d(1)(2)(B)) or a federally qualified health center look-alike;

(ii) a rural health clinic as defined in 1861(aa)(2) of the Social Security Act (49 Stat. 620, 42 U.S.C. § 1395x(aa)(2));

(iii) a hospital outpatient clinic certified by Medicare;

(iv) a free or partial-pay health clinic that provides medical home and primary care services by volunteer and nonvolunteer health care providers; or

(v) a nurse-managed health care clinic that is managed by advanced practice nurses, a federally qualified health center or an independent nonprofit

health or social services agency.

"Department." The Department of Community and Economic Development of the Commonwealth.

"Fund." The Health Information Technology Fund established in section 503.

"Health care facility." A health care facility as defined under section 802.1 of the act of July 19, 1979 (P.L.130, No.48), known as the Health Care Facilities Act, or an entity licensed as a hospital under the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code.

"Health care provider." A person licensed by the Commonwealth to provide health care or professional medical services. The term includes, but is not limited to, a physician, a dentist, a pediatrician, a certified nurse midwife, a podiatrist, a certified registered nurse practitioner, a physician assistant, a skilled nursing facility, nursing home, home health entity, a community-based health care clinic and community mental health center.

"HEALTH INFORMATICS." ANY OF THE FOLLOWING:

(1) THE ELECTRONIC EXCHANGE OF HEALTH CARE INFORMATION AMONG ENTITIES IN THE HEALTH CARE SYSTEM, INCLUDING, BUT NOT LIMITED TO:

(I) PHYSICIANS AND OTHER HEALTH CARE PROVIDERS.

(II) HEALTH INSURANCE COMPANIES AND HEALTH MAINTENANCE ORGANIZATIONS.

(III) FEDERAL AND STATE GOVERNMENT HEALTH PAYERS.

(IV) EMPLOYERS.

(V) PHARMACIES AND PHARMACY BENEFIT MANAGERS.

(VI) LABORATORIES.

(VII) PUBLIC HEALTH AGENCIES.

(2) THE PROVISION OF THE MOST CURRENT, COMPLETE AND ACCURATE INFORMATION POSSIBLE WHEN MAKING HEALTH CARE DECISIONS REGARDING PATIENTS.

(3) THE SHARING AND EXCHANGE OF HEALTH CARE INFORMATION AMONG ORGANIZATIONS THAT ARE OWNERS OR CUSTODIANS OF THE HEALTH CARE INFORMATION.

(4) THE USE OF INFORMATION TECHNOLOGY TO ENABLE AND IMPROVE THE EXCHANGE AND PRESENTATION OF HEALTH CARE INFORMATION.

(5) THE ADOPTION AND USE OF ELECTRONIC MEDICAL RECORD TECHNOLOGY, WHERE APPROPRIATE, WITHIN THE HEALTH CARE SYSTEM.

(6) THE REDUCTION OF TOTAL HEALTH CARE COSTS THROUGH IMPROVED QUALITY AND REDUCTION IN REDUNDANCIES AND ADMINISTRATIVE WASTE.

"Health information." Information that:

(1) is created or received by a health care provider, health plan, public health authority or health care clearinghouse; and

(2) relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an individual or the past, present or future payment for the provision of health care to an individual.

"Health information exchange" or "HIE." The electronic movement of health-related information among organizations according to nationally recognized standards.

"Health information technology." Hardware, software, integrated technologies or related licenses, intellectual property, upgrades or packaged solutions sold as services that are designed for or support the use by health care entities or patients for the electronic creation, maintenance, access or

exchange of health information.

"Health information technology regional extension center." A United States-based nonprofit institution or organization or group of nonprofit institutions or organizations, meeting the requirements established by the Office of the National Coordinator and created to:

(1) Encourage adoption of certified electronic health records by clinicians and hospitals.

(2) Increase the probability that adopters of electronic health record systems will become meaningful users of the technology.

(3) Assist clinicians and hospitals to become meaningful users of electronic health records.

~~"Health informatics." Any of the following:~~

~~(1) The electronic exchange of health care information among entities in the health care system, including, but not limited to:~~

~~(i) Physicians and other health care providers.~~

~~(ii) Health insurance companies and health maintenance organizations.~~

~~(iii) Federal and State government health payers.~~

~~(iv) Employers.~~

~~(v) Pharmacies and pharmacy benefit managers.~~

~~(vi) Laboratories.~~

~~(vii) Public health agencies.~~

~~(2) The provision of the most current, complete and accurate information possible when making health care decisions regarding patients.~~

~~(3) The sharing and exchange of health care information among organizations that are owners or custodians of the~~

~~health care information.~~

~~(4) The use of information technology to enable and improve the exchange and presentation of health care information.~~

~~(5) The adoption and use of electronic medical record technology, where appropriate, within the health care system.~~

~~(6) The reduction of total health care costs through improved quality and reduction in redundancies and administrative waste.~~

"Health information technology system." The secure use of information and communication technology that may include:

(1) electronic health records;

(2) personal health records;

(3) e-mail communication;

(4) clinical alerts and reminders;

(5) clinical decision support systems; or

(6) other technologies that store, protect, retrieve and transfer clinical, administrative and financial information electronically within health care settings.

"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 section 3 of the act of December 29, 1972 (P.L.1701, No.364), known as the Health Maintenance Organization Act; or

(3) a nonprofit health plan corporation operating under 40 Pa.C.S. Chs. 61 (relating to hospital plan corporations) and 63 (relating to professional health services plan

corporations).

"Interoperability." The ability of different information technology systems and applications to exchange data securely, accurately, effectively and in a manner that maintains and preserves the clinical purpose of the data.

"National Coordinator." The head of the office of the National Coordinator of Health Information Technology.

"Program." The Health Technology Program established in Chapter 3.

"Protected health information." Protected health information under 45 CFR Parts 160 (relating to general administrative requirements) and 164 Subpts. A (relating to general provisions) and E (relating to privacy of individually identifiable health information).

"Qualified electronic health record." An electronic health record that has been generated under the Recovery and Reinvestment Act of 2009 (Public Law 111-5, 123 Stat. 115) and that is applicable to the type of record involved.

CHAPTER 3

PENNSYLVANIA HEALTH INFORMATION EXCHANGE (PHIX)

Section 301. Scope of chapter.

This chapter relates to facilitating and assisting in the development and operation of a Statewide health information exchange.

Section 302. Definitions.

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

"Authority." The Pennsylvania Health Information Exchange (HIE) Authority established under section 303(a).

"Board." The board of directors of the Pennsylvania Health Information Exchange (PHIX) Authority established under section 303(b).

Section 303. Establishment of the Pennsylvania Health Information Exchange Authority.

(a) Establishment.--There is established a body corporate and politic to be known as the Pennsylvania Health Information Exchange (PHIX) Authority.

(b) Board.--The powers and duties of the authority shall be vested in and exercised by a board of directors.

(c) Board composition.--The board of the authority shall consist of 17 members, appointed in accordance with the following:

~~(1) An individual with experience in health informatics appointed by the Governor.~~

(1) AN INDIVIDUAL APPOINTED BY THE GOVERNOR FROM A LIST OF THREE QUALIFIED INDIVIDUALS WITH EXPERIENCE IN HEALTH INFORMATICS RECOMMENDED BY A TECHNOLOGY INDUSTRY ORGANIZATION OPERATING AND BASED IN PENNSYLVANIA.

(2) Four Commonwealth residents with an expertise in health informatics. Each of the following persons shall appoint one person:

(i) The President pro tempore of the Senate.

(ii) The Minority Leader of the Senate.

(iii) The Speaker of the House of Representatives.

(iv) The Minority Leader of the House of Representatives.

~~(3) A physician appointed by the Governor who shall serve an initial term of three years.~~

(3) THREE PHYSICIANS APPOINTED BY THE GOVERNOR FROM A

LIST OF SIX QUALIFIED LICENSED PHYSICIANS RECOMMENDED BY THE PENNSYLVANIA MEDICAL SOCIETY AND THE PENNSYLVANIA OSTEOPATHIC MEDICAL ASSOCIATION. EACH SHALL SERVE INITIAL TERMS OF THREE YEARS. ONE APPOINTEE SHALL BE FROM A PRACTICE EMPLOYING TEN OR FEWER PHYSICIANS. ONE APPOINTEE SHALL BE FROM A RURAL PRACTICE. ONE APPOINTEE SHALL BE PART OF A LARGE URBAN OR SUBURBAN PRACTICE OF 51 PHYSICIANS OR MORE.

(4) Seven individuals with expertise in health informatics appointed as follows:

(i) Two individuals representing a community-based health care clinic, one of whom from a federally qualified health center. One shall be appointed by the Majority Leader of the Senate and one shall be appointed by the Majority Leader of the House of Representatives.

(ii) Three individuals recommended by the Hospital and Healthsystem Association of Pennsylvania, one of whom shall be a representative of rural hospitals. One shall be appointed by the President pro tempore of the Senate and one appointed by the Speaker of the House of Representatives. The remaining individual shall be the representative of rural hospitals and appointed by the Majority Leader of the House of Representatives.

(iii) One representative of the Blue Cross and Blue Shield plans in Pennsylvania, appointed by the Minority Leader of the Senate.

(iv) One representative of a licensed insurer other than a Blue Cross or Blue Shield plan, appointed by the Minority Leader of the House of Representatives.

(5) The ~~Deputy~~ Secretary of Public Welfare or a designee.

(6) A representative of consumers who is not primarily involved in the provision of health care or health care insurance appointed by the Governor.

(7) Two individuals appointed by the Governor, one with expertise in privacy and the other with expertise in health information security.

(d) Terms.--Members of the board shall not serve more than three full consecutive terms. Each board member shall serve a term coterminous with the board member's appointing authority unless replaced earlier by the appointing authority.

(e) Quorum.--A majority of the members of the board shall constitute a quorum.

(f) Action.--Notwithstanding any other provision of law, action may be taken by the board at a meeting upon a vote of the majority of its members present in person or through the use of amplified telephonic equipment if authorized by the bylaws of the board.

(g) Meetings.--The board shall meet at the call of the chairperson or as may be provided in the bylaws of the board. The board shall hold quarterly meetings which shall be subject to the requirements of 65 Pa.C.S. Ch. 7 (relating to open meetings). Meetings of the board shall be held within this Commonwealth. RECORDS OF BOARD MEETINGS ARE SUBJECT TO THE ACT OF FEBRUARY 14, 2008 (P.L.6, NO.3), KNOWN AS THE RIGHT-TO-KNOW LAW.

(h) Chairperson.--The chairperson shall be the person appointed under subsection (c)(1).

(i) Formation.--The authority shall be formed within 60 days of the effective date of this section.

Section 304. Powers and duties.

(a) General rule.--The board shall:

(1) Adopt bylaws necessary to carry out the provisions of this chapter.

(2) Employ staff as necessary to implement this chapter.

(3) Make, execute and deliver contracts and other instruments.

(4) Apply for, solicit, receive, establish priorities for, allocate, disburse, contract for, administer and spend moneys in the fund under Chapter 5 and other funds made available to the board from a source consistent with the purposes of this chapter.

(5) Participate with the department in applying for and distributing grants and loans under Chapter 5.

(6) Accept Federal grants to carry out the purpose of the authority that includes administering grants and loans in accordance with the terms of the grants.

(7) IMPOSE SUBSCRIPTION OR TRANSACTION FEES FOR USERS OF THE HEALTH INFORMATION EXCHANGE WHICH SHALL BE USED TO PAY FOR THE EXCHANGE'S OPERATION.

(b) Exchange of electronic information.--The authority shall:

(1) Define the vision for a Statewide health information exchange system to electronically exchange health care information among entities in the health care system. This shall include, but is not limited to:

(i) Health care providers.

(ii) Health insurance companies and managed care organizations.

(iii) Federal and State government health payors.

(iv) Employers.

(v) Pharmacies and pharmacy benefit managers.

(vi) Laboratories.

(vii) Public health agencies.

(2) Encourage, facilitate and assist in:

(i) The development of the Statewide health information exchange system.

(ii) The ongoing operation of the Statewide health information exchange system, including monitoring the performance, quality and security of the Statewide health information exchange system.

(3) Oversee a collaborative Statewide process using public and private expertise to develop common polices, clinical goals, technical requirements and architectural standards for this Commonwealth's health information exchange system consistent with emerging Federal requirements.

(4) Develop policies using a collaborative Statewide process to ensure compliance with section 305.

(c) Statewide health information technology plan.--The authority shall facilitate with the department the development of a Statewide health information technology plan that includes the implementation of an integrated electronic health information infrastructure for the sharing of electronic health information among health care facilities, health care professionals, public and private payers and patients. The health information technology plan shall:

(1) Support the effective, efficient, Statewide use of electronic health information in patient care, health care policymaking, clinical research, health care financing and continuous improvements to quality.

(2) Propose methods to educate the general public and

health care providers about the value of an electronic health infrastructure for improving patient care.

(3) Promote the use of national standards for the development of an interoperable system, which shall include provisions relating to security, privacy, data content, structures and format, vocabulary and transmission protocols.

(4) Propose strategic investments in equipment and other infrastructure elements that will facilitate the ongoing development of a Statewide infrastructure.

(5) Recommend funding mechanisms for the ongoing development and maintenance costs of a Statewide health information system, including funding options and an implementation strategy for a loan and grant program.

(6) Propose to incorporate the existing health care information technology initiatives in order to avoid incompatible systems and duplicative efforts.

(7) Address issues related to data ownership, governance and confidentiality and security of patient information.

(8) ONCE THE STATEWIDE HEALTH INFORMATION TECHNOLOGY PLAN HAS BEEN DRAFTED, THE PLAN SHALL BE POSTED FOR PUBLIC COMMENT FOR A PERIOD OF 30 DAYS. WRITTEN INPUT SHALL BE SUBMITTED TO THE AUTHORITY. PUBLIC COMMENT SHALL BE REVIEWED AND CONSIDERED BY THE AUTHORITY BEFORE A FINAL PLAN IS ADOPTED.

(d) Statewide health information exchange.--The authority shall establish Statewide health information exchange capabilities for streamlining health care administrative functions, including:

(1) Communicating point-of-care services, including laboratory results, diagnostic imaging and prescription

histories.

(2) Communicating patient identification and emergency room required information in conformity with Federal and State privacy laws.

(3) Real-time communication of enrollee status in relation to health plan coverage, including enrollee cost-sharing responsibilities.

(4) Current census and status of health plan-contracted providers.

(e) Security measures.--The authority shall develop and establish appropriate security standards to protect both the transmission and the receipt of individually identifiable health information or health care data that include:

(1) Appropriate security standards to protect access to any individually identifiable health information or health care data that may be collected, assembled or maintained by the authority.

(2) Levels of security and protection for access to and control of individually identifiable health information, including mental health care data and data relating to specific disease status that is governed by more stringent Federal or State privacy laws.

(3) Policies and procedures for the authority for taking disciplinary actions against a board member, employee or other person with access to individually identifiable health care information that violates Federal or State privacy laws related to health care information or data maintained by the corporation.

(4) Privacy, security operational and technical standards to assist health information exchanges in this

Commonwealth to ensure effective Statewide privacy, data security, efficiency and interoperability across networks.

(f) Advisory panels.--The board may create any advisory panels that the board considers useful to advise the board and the authority on issues determined by the board. The authority may create advisory panels to advise the board and the authority on a particular issue. The board shall consider the interests of the following when creating an advisory panel:

(1) Health care provider.

(2) Insurers.

(3) Managed care organizations.

(4) Health care information systems.

(5) Hospitals and health systems.

(6) Laboratory services.

(7) Radiological services.

(8) Community-based health care clinics.

(9) Health information exchange organizations.

(10) Pharmacies.

(11) Dentists.

(12) Pediatricians.

(13) Any other health care providers.

Section 305. Prohibited use of information.

The authority shall not engage in any of the following:

(1) The collection and analysis of clinical data.

(2) The comparison of health care providers to other health care providers.

(3) ~~Providing access to aggregated, de-identified protected health information to local health information exchanges and other users of quality care studies, disease management and population health assessments.~~

~~(4) Providing access to public health programs trended, aggregated, de-identified protected health information to help assess the health status of populations and providing of regular reports of trends and important incidence of events to public health avenues for intervention, education and prevention programs.~~

~~(5)~~ The creation of evidence-based standards for the practice of medicine.

SECTION 306. APPROPRIATE USE OF INFORMATION.

THE AUTHORITY MAY PROVIDE ACCESS TO AGGREGATED, DE-IDENTIFIED, PROTECTED HEALTH INFORMATION TO LOCAL HEALTH INFORMATION EXCHANGES, COMMONWEALTH-ACCREDITED UNIVERSITIES AND PUBLIC HEALTH DEPARTMENTS FOR THE PURPOSES OF DISEASE MANAGEMENT, POPULATION HEALTH ASSESSMENTS AND IDENTIFYING PUBLIC HEALTH TRENDS OR INCIDENTS.

Section ~~306~~ 307. Annual report.

(a) Deadline and contents.--The board shall report no later than July 1, 2010, and annually thereafter to the General Assembly on the activities in the preceding year. The report shall include:

(1) A schedule of the year's meetings.

(2) Updates to the Statewide plan created under section 304.

(3) Updates to privacy, security, operational and technical standards to assist health information exchanges in this Commonwealth to ensure effective Statewide privacy, data security, efficiency and interoperability across networks.

(4) A list of any grants or loans that the authority assisted in attaining for any health care provider or health information exchange.

(5) A summary of the fund receipts and expenditures, including a financial statement and balance sheet.

(b) Distribution.--The report shall be distributed to the Secretary of Health, the chair and minority chair of the Public Health and Welfare Committee of the Senate and the chair and minority chair of the Health and Human Services Committee of the House of Representatives.

(c) Public access.--The annual report shall be made available for public inspection and shall be posted on the authority's publicly accessible Internet website.

CHAPTER 5

LOANS OR GRANTS FOR INFORMATION NETWORKS PROGRAM

Section 501. Purpose.

This chapter relates to assisting health care providers in funding for health technology information facilitating and assisting in the development and operation of a Statewide health information exchange.

Section 502. Health Information Technology Program.

(a) Establishment.--The Loans or Grants for Information Networks (LOGIN) Program is established in the department to administer loans or grants:

(1) under the American Recovery and Reinvestment Act of 2009 (Public Law 111-5, 123 Stat. 115); or

(2) from sources other than those in paragraph (1) that shall be used to provide funding to health care providers or health information technology regional extension centers to encourage the adoption and implementation of health information technology.

(b) Eligible activities.--The program may provide grants or loans to health care facilities, health care providers or health

information exchanges.

(c) Grants.--Grants shall be used to conduct activities to facilitate and expand the electronic movement and use of health information among organizations according to nationally recognized standards through activities that include:

(1) Training and dissemination of information on best practices to integrate health information technology.

(2) Promoting the interoperability of clinical data repositories or registries.

(3) Promoting technologies and best practices that enhance the protection of health information by all holders of individually identifiable health information.

(4) Improving the secure electronic exchange of health information.

(5) Improvement and expansion of the use of health information technology by public health departments.

(6) Providing technical assistance for the development and dissemination of solutions to barriers to the exchange of electronic health information.

(7) Promoting effective strategies to adopt and utilize health information technology in medically underserved communities.

(8) Assisting patients in utilizing health information technology.

(d) Loans.--Loans may be used for the following activities:

(1) The purchase by health care providers and health care facilities of qualified electronic health record technology.

(2) Enhancing the utilization of qualified electronic health record that may include costs associated with

upgrading health information technology so that it meets criteria for a qualified electronic health record technology.

(3) Training personnel in the use of qualified electronic health record technology.

(4) Improving the secure electronic exchange of health information.

(5) Purchasing clinical decision support systems.

(e) Limitations.--

(1) The amount of a loan to a health care facility or health care provider may not exceed:

(i) $1,000,000 for a health care facility.

(ii) $50,000 for a health care provider.

(2) A grant under this subsection shall require a matching commitment of 20% of the grant or loan which can be in the form of cash or equivalent in-kind capital or services.

(3) No less than 25% of available funds shall be used for loans to health care providers in counties of the fourth, fifth, sixth, seventh or eighth class.

(4) NO LESS THAN 15% OF AVAILABLE FUNDS SHALL BE USED FOR LOANS TO HEALTH CARE PROVIDERS WITH 50 OR FEWER PRACTICING PHYSICIANS.

(f) Loan requirement.--A loan made under this section shall require all of the following:

(1) Have an interest rate that does not exceed the market interest rate.

(2) Require the principal and interest payments on each loan to commence not later than one year after the date the loan was awarded.

(3) Require each loan to be fully amortized no later

than ten years after the date of the loan.

(g) Health information technology regional extension centers.--Nothing in this section shall prevent a health care provider or health care facility from using a loan received under this section to contract for services provided by a health information technology regional extension center.

Section 503. Fund.

(a) Establishment.--A fund is established in the State Treasury to be known as the Health Information Technology Fund. The following shall be deposited in the fund:

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

(2) Grants and loans received under the American Recovery and Reinvestment Act of 2009 (Public Law 111-5, 123 Stat. 115) or other Federal law.

(3) Earnings derived from the investment of the money in the fund after deducting investment expenses.

(4) Loan repayments of principal and interest.

(5) Funds derived from any other source.

Section 504. Application.

(a) Submission.--In order to receive a loan or grant under this chapter, a health care facility or health care provider center shall submit an application in a form and manner prescribed by the department.

(b) Requirements.--An application submitted under subsection (a) shall set forth the manner in which the health information technology system will do the following:

(1) Comply with all criteria adopted by the National Coordinator.

(2) Protect privacy and security of health information.

(3) Maintain and provide permitted access to health information.

(4) Improve the quality of health care by reducing health care costs, serious preventable adverse events, medical errors, inappropriate care and incomplete information and the coordination of care and information among health care providers, health insurers and other entities.

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

(6) Provide consumer access to personal medical information.

(7) Comply with all Federal and State laws and regulations relating to security and notification of any breach of electronic medical records.

(8) Ensure that the health care provider or health care facility will become a meaningful user, as determined by the Centers for Medicare and Medicaid Services, of a qualified electronic health record.

Section 505. Duties of department.

(A) DUTIES.--The department shall:

(1) Administer the health information technology program to provide grants and loans to eligible health care providers and health care facilities.

(2) Award grants and loans in all geographic areas of this Commonwealth.

(3) Require the use of standards for health information technology that are consistent with those developed by the National Coordinator and the Centers for Medicare and Medicaid Services, when applicable.

(4) Develop a grant and loan application form with input

from the Pennsylvania Health Information Exchange Authority, the Department of Public Welfare, the Insurance Department, the Department of Health and the Governor's Office.

(5) Develop the criteria for awards of a grant and loan with input from the Pennsylvania Health Information Exchange Authority, the Department of Public Welfare, the Insurance Department, the Department of Health and the Governor's Office.

(6) Provide a loan application form within 90 days of the effective date of this section.

(7) Ensure that health information technology policies and programs of the department are coordinated with the Pennsylvania Health Information Exchange Authority, the Department of Public Welfare, the Department of Health, the Governor's Office of Health Care Reform and other executive branch agencies with Federal agencies.

(8) Share appropriate data relating to the use of health information technology systems with the Pennsylvania Health Information Exchange Authority, the Department of Public Welfare, the Health Care Cost Containment Council, the Patient Safety Authority and other State agencies. Data collected by a State agency relating to the operation of health information technology systems in this Commonwealth shall be shared with the department.

(9) Give preference to applications which provide health information technology systems that link multiple health care providers and which provide direct patient access to health care information.

(10) Audit loans awarded under this act.

(11) Provide ongoing assessment of the benefits and

costs of health information technology systems, including information relating to reduction in medical errors, reduction in physician visits, economic impact, efficiencies and other information.

(12) Develop a public information program to inform the public of the efficiency and safety advantage of health information technology.

(B) EXCEPTIONS.--FEDERAL GRANTS OR LOANS FOR HEALTH INFORMATION TECHNOLOGY SHALL BE ADMINISTERED UNDER THE CONDITIONS AND REQUIREMENTS IN THE GRANT.

Section 506. Accountability.

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

(1) A report on the status of the strategic plan and the development of the health information technology system.

(2) An accounting of the expenditure of funds from the loan and 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 chair and minority chair of the Banking and Insurance Committee of the Senate and the chair and minority chair of the Insurance Committee of the House of Representatives, which report shall include the number and amount of grants and loans awarded, a description of the system being funded, total amount of funds spent and the projected impact on the delivery of health care.

CHAPTER 20

MISCELLANEOUS

Section 2001. Effective date.

This act shall take effect in 60 days.