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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL**

**No. 8**

Session of  
2007

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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 AND FONTANA, MARCH 14, 2007

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REFERRED TO PUBLIC HEALTH AND WELFARE, MARCH 14, 2007

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AN ACT

1 Establishing the Medical Safety Automation Account; 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 "Department." The Department of Health of the Commonwealth.

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

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

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

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

9 (1) An insurer licensed under the act of May 17, 1921  
10 (P.L.682, No.284), known as The Insurance Company Law of  
11 1921.

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

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

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

24 "Medical safety automation system." An automated,  
25 interoperable system that utilizes health information technology  
26 to integrate health information, clinical activities and data  
27 sharing in any of the following areas: pharmacy ordering and  
28 tracking, laboratory testing and results, physician order  
29 management, access by clinicians, access by consumers,  
30 telemedicine, data sharing among health care facilities,

1 physicians and health insurers or other transaction monitoring  
2 or health information exchange that promotes patient safety and  
3 efficiency in the delivery of health care.

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

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

12 Section 3. Medical safety automation program.

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

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

20 (1) Purchase of health information technology necessary  
21 to create an interoperable and integrated medical safety  
22 automation system.

23 (2) Payment of costs and expenses associated with  
24 preparation of plans, specifications, studies and surveys  
25 necessary to determine the scope of a medical safety  
26 automation system and the practicality and effectiveness of  
27 its use.

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

30 (c) Limitation.--The amount of a grant to any specific

1 health care provider or regional medical safety automation  
2 organization under this program shall not exceed \$1,000,000.

3 (d) Matching funds.--An applicant for a grant under this  
4 section shall provide matching funds in the amount of 100% of  
5 the amount of the grant.

6 (e) Term.--A grant under this section shall be for a term  
7 not to exceed two years.

#### 8 Section 4. Fund.

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

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

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

#### 16 Section 5. Eligibility.

17 In order to be eligible for a grant under this act, a health  
18 care provider must provide medically necessary services to  
19 individuals regardless of the individual's ability to pay for  
20 the services and must be a participating provider with the  
21 Department of Public Welfare of services to individuals eligible  
22 for medical assistance.

#### 23 Section 6. Application.

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

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

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

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

4 (3) Ensure compliance with standards adopted by the  
5 department and the Office of the National Coordinator for  
6 Health Information Technology.

7 (4) Incorporate decision support to improve health care  
8 quality, reduce medical errors and advance the delivery of  
9 patient-centered medical care.

10 (5) Reduce health care costs resulting from  
11 inefficiency, medical errors, inappropriate care and  
12 incomplete information.

13 (6) Ensure interoperability with other systems and  
14 health care providers.

15 (7) Improve the coordination of care and information  
16 among health care providers, health insurers and other  
17 entities through an effective infrastructure for the secure  
18 and authorized exchange of health care information.

19 (8) Improve public health reporting and facilitate the  
20 early identification and rapid response to public health  
21 threats and emergencies, including bioterror events and  
22 infectious disease outbreaks.

23 (9) Facilitate health research.

24 (10) Promote prevention of chronic diseases.

25 (11) Provide for consumer access to personal medical  
26 information.

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

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

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

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

6 Section 7. Accountability.

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

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

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

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

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

25 Section 8. Duties of department.

26 The department shall:

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

29 (2) Facilitate the adoption and implementation of a  
30 Statewide interoperable medical safety automation system

1 among all health care providers, health insurers and  
2 consumers.

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

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

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

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

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

26 (8) Give preference to applications which provide  
27 regional medical safety automation systems that link multiple  
28 health care providers and which provide direct patient access  
29 to health care information.

30 (9) Audit grants awarded pursuant to this act to ensure

1 that funds have been used in accordance with the terms and  
2 standards adopted by the department.

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

8 (11) Develop a public information program to inform the  
9 public about the efficiency and safety advantages to be  
10 achieved by the adoption of medical safety automation  
11 systems.

12 Section 9. Effective date.

13 This act shall take effect in 60 days.