

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 AND C. WILLIAMS, MARCH 14, 2007

SENATOR ERICKSON, PUBLIC HEALTH AND WELFARE, AS AMENDED, APRIL 25, 2007

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 "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(L)(2)(B) OF THE SOCIAL SECURITY ACT (49 STAT.  
2 620, 42 U.S.C. § 1396D(L)(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, ~~or 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)~~ (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 ~~(d)~~ (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 ~~(e)~~ (G) Term.--A grant under this section shall be for a <—  
14 term 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) Incorporate decision support to improve health care~~ <—  
15 ~~quality, reduce medical errors and advance the delivery of~~  
16 ~~patient-centered medical care.~~

17 ~~(5) Reduce health care costs resulting from~~  
18 ~~inefficiency, medical errors, inappropriate care and~~  
19 ~~incomplete information.~~

20 (4) IMPROVE HEALTH CARE QUALITY, REDUCE HEALTH CARE <—  
21 COSTS RESULTING FROM INEFFICIENCY, MEDICAL ERRORS,  
22 INAPPROPRIATE CARE AND INCOMPLETE INFORMATION AND ADVANCE THE  
23 DELIVERY OF PATIENT-CENTERED MEDICAL CARE.

24 ~~(6)~~ (5) Ensure interoperability with other systems and <—  
25 health care providers.

26 ~~(7)~~ (6) Improve the coordination of care and information <—  
27 among health care providers, health insurers and other  
28 entities through an effective infrastructure for the secure  
29 and authorized exchange of health care information.

30 ~~(8)~~ (7) Improve public health reporting and facilitate <—

1 the early identification and rapid response to public health  
2 threats and emergencies, including bioterror events and  
3 infectious disease outbreaks.

4 ~~(9)~~ (8) Facilitate health research. <—

5 ~~(10)~~ (9) Promote prevention of chronic diseases. <—

6 ~~(11)~~ (10) Provide for consumer access to personal <—  
7 medical information.

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

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

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

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

17 Section 7. Accountability.

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

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

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

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

28 (b) Annual report.--The department shall submit an annual  
29 report to the chairman and minority chairman of the Public  
30 Health and Welfare Committee of the Senate and the chairman and

1 minority chairman of the Health and Human Services Committee of  
2 the House of Representatives which shall include the number and  
3 amount of grants awarded, a description of each medical safety  
4 automation system being funded, the impact on the delivery of  
5 medical care and the total amount of funds spent.

6 Section 8. Duties of department.

7 The department shall:

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

10 (2) Facilitate the adoption and implementation of a  
11 Statewide interoperable medical safety automation system  
12 among all health care providers, health insurers and  
13 consumers.

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

16 (4) Adopt standards for a medical safety automation  
17 system that are consistent with those developed by the Office  
18 of the National Coordinator for Health Information Technology  
19 and approved by the Secretary of the Department of Health and  
20 Human Services.

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

24 (6) Ensure that health information technology policy and  
25 programs of the department are coordinated with the  
26 Department of Public Welfare and other executive branch  
27 agencies and Federal agencies to implement a medical safety  
28 automation system for all health care-related programs  
29 administered by the Commonwealth.

30 (7) Share all data relating to the use of medical safety



1 automation systems with the Department of Public Welfare, the  
2 Health Care Cost Containment Council, the Patient Safety  
3 Authority and other State agencies. The Health Care Cost  
4 Containment Council and other State agencies shall share data  
5 obtained from medical safety automation systems with the  
6 department.

7 (8) Give preference to applications which provide  
8 regional medical safety automation systems that link multiple  
9 health care providers and which provide direct patient access  
10 to health care information.

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

14 (10) Provide ongoing assessment of the benefits and  
15 costs of medical safety automation systems, to include  
16 information relating to reduction in medical errors,  
17 reduction in physician visits, economic impact, efficiencies  
18 experienced and other information.

19 (11) Develop a public information program to inform the  
20 public about the efficiency and safety advantages to be  
21 achieved by the adoption of medical safety automation  
22 systems.

23 Section 9. Effective date.

24 This act shall take effect in 60 days.