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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 863 Session of  
2011

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YOUNGBLOOD, MARCH 1, 2011

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REFERRED TO COMMITTEE ON INSURANCE, MARCH 1, 2011

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AN ACT

1 Establishing the Pennsylvania Health Information Exchange  
2 Authority and the Health Information Technology Fund; and  
3 providing for grants and loans for health information  
4 technology and for duties of the Department of Community and  
5 Economic Development.

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

8 CHAPTER 1

9 PRELIMINARY PROVISIONS

10 Section 101. Short title.

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

13 Section 102. Definitions.

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

17 "Clinical decision support system." An interactive computer  
18 system that assists health care providers in applying new

1 information to patient care through the analysis of patient-  
2 specific clinical variables.

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

7 (1) meets either of the following criteria:

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

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

14 (2) includes any of the following:

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

19 (ii) a rural health clinic as defined in 1861(aa)(2)  
20 of the Social Security Act (49 Stat. 620, 42 U.S.C. §  
21 1395x(aa)(2));

22 (iii) a hospital outpatient clinic certified by  
23 Medicare;

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

27 (v) a nurse-managed health care clinic that is  
28 managed by advanced practice nurses, a federally  
29 qualified health center or an independent nonprofit  
30 health or social services agency.

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

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

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

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

18 "Health informatics." Any of the following:

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

22 (i) Physicians and other health care providers.

23 (ii) Health insurance companies and health  
24 maintenance organizations.

25 (iii) Federal and State government health payers.

26 (iv) Employers.

27 (v) Pharmacies and pharmacy benefit managers.

28 (vi) Laboratories.

29 (vii) Public health agencies.

30 (2) The provision of the most current, complete and

1 accurate information possible when making health care  
2 decisions regarding patients.

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

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

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

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

14 "Health information." Information that:

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

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

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

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

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

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

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

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

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

15 (1) electronic health records;

16 (2) personal health records;

17 (3) e-mail communication;

18 (4) clinical alerts and reminders;

19 (5) clinical decision support systems; or

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

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

25 (1) an insurer licensed under the act of May 17, 1921  
26 (P.L.682, No.284), known as The Insurance Company Law of  
27 1921;

28 (2) a health maintenance organization as defined in  
29 section 3 of the act of December 29, 1972 (P.L.1701, No.364),  
30 known as the Health Maintenance Organization Act; or

1 (3) a nonprofit health plan corporation operating under  
2 40 Pa.C.S. Chs. 61 (relating to hospital plan corporations)  
3 and 63 (relating to professional health services plan  
4 corporations).

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

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

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

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

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

## 22 CHAPTER 3

### 23 PENNSYLVANIA HEALTH INFORMATION EXCHANGE (PHIX)

24 Section 301. Scope of chapter.

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

28 Section 302. Definitions.

29 The following words and phrases when used in this chapter  
30 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

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

4 "Board." The board of directors of the Pennsylvania Health  
5 Information Exchange (PHIX) Authority established under section  
6 303(b).

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

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

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

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

16 (1) An individual appointed by the Governor from a list  
17 of three qualified individuals with experience in health  
18 informatics recommended by a technology industry organization  
19 operating and based in Pennsylvania.

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

23 (i) The President pro tempore of the Senate.

24 (ii) The Minority Leader of the Senate.

25 (iii) The Speaker of the House of Representatives.

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

28 (3) Three physicians, one of whom shall be appointed by  
29 the Majority Leader of the Senate, one of whom shall be  
30 appointed by the Minority Leader of the Senate, and one of

1 whom shall be appointed by the Majority Leader of the House  
2 of Representatives, from a list of six qualified licensed  
3 physicians recommended by the Pennsylvania Medical Society  
4 and the Pennsylvania Osteopathic Medical Association. Each  
5 shall serve initial terms of three years. One appointee shall  
6 be from a practice employing ten or fewer physicians. One  
7 appointee shall be from a rural practice. One appointee shall  
8 be part of a large urban or suburban practice of 51  
9 physicians or more.

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

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

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

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

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



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

2 (6) A representative of consumers who is not primarily  
3 involved in the provision of health care or health care  
4 insurance appointed by the Minority Leader of the House of  
5 Representatives.

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

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

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

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

20 (g) Meetings.--The board shall meet at the call of the  
21 chairperson or as may be provided in the bylaws of the board.  
22 The board shall hold quarterly meetings which shall be subject  
23 to the requirements of 65 Pa.C.S. Ch. 7 (relating to open  
24 meetings). Meetings of the board shall be held within this  
25 Commonwealth. Records of board meetings are subject to the act  
26 of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know  
27 Law.

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

30 (i) Formation.--The authority shall be formed within 60 days

1 of the effective date of this section.

2 (j) Dissolution.--The authority shall be dissolved, if after  
3 three years of operation the costs of the authority, including  
4 salaries and necessary expenses for the proper operation and  
5 administration of the exchange, exceed revenues, including  
6 transaction fees for uses.

7 Section 304. Powers and duties.

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

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

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

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

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

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

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

24 (7) Impose subscription or transaction fees for users of  
25 the health information exchange which shall be used to pay  
26 for the exchange's operation.

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

29 (1) Define the vision for a Statewide health information  
30 exchange system to electronically exchange health care

1 information among entities in the health care system. This  
2 shall include, but is not limited to:

3 (i) Health care providers.

4 (ii) Health insurance companies and managed care  
5 organizations.

6 (iii) Federal and State government health payors.

7 (iv) Employers.

8 (v) Pharmacies and pharmacy benefit managers.

9 (vi) Laboratories.

10 (vii) Public health agencies.

11 (2) Encourage, facilitate and assist in:

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

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

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

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

25 (c) Statewide health information technology plan.--The  
26 authority shall facilitate with the department the development  
27 of a Statewide health information technology plan that includes  
28 the implementation of an integrated electronic health  
29 information infrastructure for the sharing of electronic health  
30 information among health care facilities, health care

1 professionals, public and private payers and patients. The  
2 health information technology plan shall:

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

7 (2) Propose methods to educate the general public and  
8 health care providers about the value of an electronic health  
9 infrastructure for improving patient care.

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

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

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

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

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

26 (8) Once the Statewide health information technology  
27 plan has been drafted, the plan shall be posted for public  
28 comment for a period of 30 days. Written input shall be  
29 submitted to the authority. Public comment shall be reviewed  
30 and considered by the authority before a final plan is

1 adopted.

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

6 (1) Communicating point-of-care services, including  
7 laboratory results, diagnostic imaging and prescription  
8 histories.

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

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

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

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

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

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

30 (3) Policies and procedures for the authority for taking

1 disciplinary actions against a board member, employee or  
2 other person with access to individually identifiable health  
3 care information that violates Federal or State privacy laws  
4 related to health care information or data maintained by the  
5 corporation.

6 (4) Privacy, security operational and technical  
7 standards to assist health information exchanges in this  
8 Commonwealth to ensure effective Statewide privacy, data  
9 security, efficiency and interoperability across networks.

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

- 16 (1) Health care provider.
- 17 (2) Insurers.
- 18 (3) Managed care organizations.
- 19 (4) Health care information systems.
- 20 (5) Hospitals and health systems.
- 21 (6) Laboratory services.
- 22 (7) Radiological services.
- 23 (8) Community-based health care clinics.
- 24 (9) Health information exchange organizations.
- 25 (10) Pharmacies.
- 26 (11) Dentists.
- 27 (12) Pediatricians.
- 28 (13) Any other health care providers.

29 Section 305. Prohibited use of information.

30 The authority shall not engage in any of the following:

1           (1) The collection and analysis of clinical data and  
2 data relating to any individual without the express written  
3 consent of the individual.

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

6           (3) The creation of evidence-based standards for the  
7 practice of medicine.

8 Section 306. Appropriate use of information.

9           The authority may provide access to aggregated, de-  
10 identified, protected health information to local health  
11 information exchanges, Commonwealth-accredited universities and  
12 public health departments for the purposes of disease  
13 management, population health assessments and identifying public  
14 health trends or incidents.

15 Section 307. Annual report.

16           (a) Deadline and contents.--The board shall report no later  
17 than September 1, 2013, and annually thereafter to the General  
18 Assembly on the activities in the preceding year. The report  
19 shall include:

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

21           (2) Updates to the Statewide plan created under section  
22 304.

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

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

30           (5) A summary of the fund receipts and expenditures,

1 including a financial statement and balance sheet.

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

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

10 CHAPTER 5

11 LOANS OR GRANTS FOR INFORMATION NETWORKS PROGRAM

12 Section 501. Purpose.

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

17 Section 502. Health Information Technology Program.

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

21 (1) under the American Recovery and Reinvestment Act of  
22 2009 (Public Law 111-5, 123 Stat. 115); or

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

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



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

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

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

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

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

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

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

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

22 (8) Assisting patients in utilizing health information  
23 technology.

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

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

28 (2) Enhancing the utilization of qualified electronic  
29 health record that may include costs associated with  
30 upgrading health information technology so that it meets

1 criteria for a qualified electronic health record technology.

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

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

6 (5) Purchasing clinical decision support systems.

7 (e) Limitations.--

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

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

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

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

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

19 (4) No less than 15% of available funds shall be used  
20 for loans to health care providers with 50 or fewer  
21 practicing physicians.

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

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

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

29 (3) Require each loan to be fully amortized no later  
30 than ten years after the date of the loan.

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

6 Section 503. Fund.

7 A fund is established in the State Treasury to be known as  
8 the Health Information Technology Fund. The following shall be  
9 deposited in the fund:

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

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

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

17 (4) Loan repayments of principal and interest.

18 (5) Funds derived from any other source.

19 Section 504. Application.

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

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

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

29 (2) Protect privacy and security of health information.

30 (3) Maintain and provide permitted access to health

1 information.

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

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

9 (6) Provide consumer access to personal medical  
10 information.

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

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

18 Section 505. Duties of department.

19 (a) Duties.--The department shall:

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

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

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

29 (4) Develop a grant and loan application form with input  
30 from the Pennsylvania Health Information Exchange Authority,

1 the Department of Public Welfare, the Insurance Department,  
2 the Department of Health and the Governor's Office.

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

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

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

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

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

28 (10) Audit loans awarded under this act.

29 (11) Provide ongoing assessment of the benefits and  
30 costs of health information technology systems, including

1 information relating to reduction in medical errors,  
2 reduction in physician visits, economic impact, efficiencies  
3 and other information.

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

7 (b) Exceptions.--Federal grants or loans for health  
8 information technology shall be administered under the  
9 conditions and requirements in the grant.

10 Section 506. Accountability.

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

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

16 (2) An accounting of the expenditure of funds from the  
17 loan and from other sources.

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

21 (b) Annual report.--The department shall submit an annual  
22 report to the chair and minority chair of the Banking and  
23 Insurance Committee of the Senate and the chair and minority  
24 chair of the Insurance Committee of the House of  
25 Representatives, which report shall include the number and  
26 amount of grants and loans awarded, a description of the system  
27 being funded, total amount of funds spent and the projected  
28 impact on the delivery of health care.

29 CHAPTER 20

30 MISCELLANEOUS

1 Section 2001. Effective date.

2 This act shall take effect January 1, 2013.