AN ACT

Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An act to consolidate, editorially revise, and codify the public welfare laws of the Commonwealth," in public assistance, further providing for medical assistance payments for institutional care; in children and youth, further providing for provider submissions; in nursing facility assessments, further providing for definitions and for time periods; in intermediate care facilities for persons with an intellectual disability assessments, further providing for definitions and for time periods; in hospital assessments, further providing for definitions and for time period; in departmental powers and duties as to licensing, further providing for regulations; establishing the Pennsylvania eHealth Partnership Program; providing for the Pennsylvania eHealth Partnership Fund; abrogating a related regulation; and making a related repeal.

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

Section 1. Section 443.1(7)(iv) of the act of June 13, 1967 (P.L.31, No.21), known as the Human Services Code, amended July 9, 2013 (P.L.369, No.55), is amended to read:

Section 443.1. Medical Assistance Payments for Institutional Care.--The following medical assistance payments shall be made on behalf of eligible persons whose institutional care is
prescribed by physicians:

(7) After June 30, 2007, payments to county and nonpublic nursing facilities enrolled in the medical assistance program as providers of nursing facility services shall be determined in accordance with the methodologies for establishing payment rates for county and nonpublic nursing facilities specified in the department's regulations and the Commonwealth's approved Title XIX State Plan for nursing facility services in effect after June 30, 2007. The following shall apply:

(iv) Subject to Federal approval of such amendments as may be necessary to the Commonwealth's approved Title XIX State Plan, for each fiscal year beginning on or after July 1, 2011, the department shall apply a revenue adjustment neutrality factor to county and nonpublic nursing facility payment rates so that the estimated Statewide day-weighted average payment rate in effect for that fiscal year is limited to the amount permitted by the funds appropriated by the General Appropriation Act for the fiscal year. The revenue adjustment neutrality factor shall remain in effect until the sooner of June 30, [2016] 2019, or the date on which a new rate-setting methodology for medical assistance nursing facility services which replaces the rate-setting methodology codified in 55 Pa. Code Chs. 1187 (relating to nursing facility services) and 1189 (relating to county nursing facility services) takes effect.

Section 2. Section 704.3(a) of the act, amended December 28, 2015 (P.L.500, No.92), is amended to read:

Section 704.3. Provider Submissions.--(a) For fiscal years
2013-2014[, 2014-2015 and 2015-2016] through 2016-2017, a provider shall submit documentation of its costs of providing services; and the department shall use such documentation, to the extent necessary, to support the department's claim for Federal funding and for State reimbursement for allowable direct and indirect costs incurred in the provision of out-of-home placement services.

* * *

Section 3. The definition of "medical assistance provider" in section 801-A of the act, amended June 30, 2007 (P.L.49, No.16), is amended to read:

Section 801-A. Definitions.--As used in this article--

"Medical assistance provider" means a person or entity enrolled by the Department of [Public Welfare] Human Services as a provider of services in the medical assistance program.

* * *

Section 4. Section 815-A of the act, amended June 30, 2012 (P.L.668, No.80), is amended to read:

Section 815-A. Time periods.--The assessment authorized in this article shall not be imposed prior to July 1, 2003, or after June 30, [2016] 2019.

Section 5. The definitions of "department," "medical assistance program" or "program" and "secretary" in section 801-C of the act, amended July 9, 2013 (P.L.369, No.55), are amended to read:

Section 801-C. Definitions.

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

"Medical assistance program" or "program." The medical assistance program as administered by the Department of [Public Welfare] Human Services.


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Section 6. Section 811-C(b) of the act, amended July 9, 2013 (P.L.369, No.55), is amended to read:

Section 811-C. Time periods.

* * *

(b) Cessation.--The assessment authorized under this article shall cease June 30, [2016] 2019, or earlier, if required by law.

Section 7. The definitions of "general acute care hospital" and "high volume Medicaid hospital" in section 801-E of the act, reenacted October 22, 2010 (P.L.829, No.84), are amended to read:

Section 801-E. Definitions.

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

* * *

"General acute care hospital." A hospital other than a hospital that the Secretary of [Public Welfare] Human Services has determined meets one of the following:

(1) Is excluded under 42 CFR 412.23(a), (b), (d), (e) and
(f) (relating to Excluded hospitals: Classifications) as of March 20, 2008, from reimbursement of certain Federal funds under the prospective payment system described by 42 CFR 412 (relating to prospective payment systems for inpatient hospital services).

(2) Is a Federal veterans' affairs hospital.

(3) Is a high volume Medicaid hospital.

(4) Provides care, including inpatient hospital services, to all patients free of charge.

(5) A free-standing acute care hospital organized primarily for the treatment of and research on cancer and is an exempt hospital under section 801-G.

"High volume Medicaid hospital." A hospital that the Secretary of [Public Welfare] Human Services has determined meets all of the following:

(1) is a nonprofit hospital subsidiary of a State-related institution as that term is defined in 62 Pa.C.S. § 103 (relating to definitions); and

(2) provides more than 90,000 days of care to medical assistance patients annually.

* * *

Section 8. Section 808-E(a) of the act, amended July 9, 2013 (P.L.369, No.55), is amended to read:

Section 808-E. Time period.

(a) Cessation.--The assessment authorized under this article shall cease June 30, [2016] 2019.

* * *

Section 9. Section 1021(c) of the act, amended July 25, 2007 (P.L.402, No.56), is amended to read:

Section 1021. Regulations.--* * *
[(c) The department shall have enforcement and licensure staff dedicated solely to assisted living residences. All inspections of residences dually licensed as assisted living residences and personal care homes shall be conducted by a team of surveyors comprised of both personal care home and assisted living residence surveyors.]

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Section 10. The act is amended by adding an article to read:

ARTICLE XIV-C

PENNSYLVANIA eHEALTH PARTNERSHIP PROGRAM

Section 1401-C. Definitions.

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

"Board." The Pennsylvania eHealth Partnership Advisory Board.

"Department." The Department of Human Services of the Commonwealth.

"Electronic health record." An electronic record of health-related information relating to an individual that is created, gathered, managed and consulted by health care providers or payers.

"Fund." The Pennsylvania eHealth Partnership Fund.

"Health care provider." A person licensed by the Commonwealth to provide health care or professional clinical services. The term includes:

(1) A "health care practitioner" as defined in section 103 of the act of July 19, 1979 (P.L.130, No.48), known as the Health Care Facilities Act.

(2) A "health care provider" as defined in section 103
of the Health Care Facilities Act.

(3) A public health authority.

(4) A pharmacy.

(5) A laboratory.

(6) A person that provides items or services described in section 1861(s) of the Social Security Act (49 Stat. 620, 42 U.S.C. § 1395x(s)).

(7) A "provider of services" as defined in section 1861(u) of the Social Security Act (49 Stat. 620, 42 U.S.C. § 1395x(u)).

"Health information." Information, whether oral or recorded, in any form or medium, that is created or received by a health care provider relating to the following:

(1) The past, present or future physical or mental health or medical condition of an individual.

(2) The past, present or future payment, treatment or operations for the provision of health care to an individual.

"Health information exchange." A Statewide interoperable system established under this article that electronically moves and exchanges health information between approved participating health care providers or health information organizations in a manner that ensures the secure exchange of health information to provide care to patients.

"Health information organization." An information technology infrastructure with an interoperable system that is established by a health care provider or payer or that connects participating health care providers or payers to ensure the secure digital exchange of health information among participants engaged in the care of the patient.

"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.

"Interoperability." The ability of different operating and
software systems to employ federally-recognized standards to
exchange data securely, accurately, effectively and in a manner
that maintains and preserves the clinical purpose of the date.

"Participant." A person or entity which has been approved by
the department to send and receive health information using the
health information exchange.

"Payer." An entity that contracts or offers to contract to
provide, deliver, pay or reimburse any of the costs of health
care services, including an employer, a health care plan, the
Federal Government, the Commonwealth, a municipality, a labor
union or an entity licensed under any of the following:

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

(2) The act of December 29, 1972 (P.L.1701, No.364),
known as the Health Maintenance Organization Act.

(3) 40 Pa.C.S. Ch. 61 (relating to hospital plan
corporations).

(4) 40 Pa.C.S. Ch. 63 (relating to professional health
services plan corporations).

"Secretary." The Secretary of Human Services of the
Commonwealth.

Section 1402-C. Pennsylvania eHealth Partnership Program.

There is hereby established the Pennsylvania eHealth
Partnership Program within the department.
The department's powers and duties include the following:

1. Develop, establish and maintain a health information exchange that complies with Federal and State law and that:
   
   i. Promotes efficient and effective communication among multiple health care providers, payers and participants.
   
   ii. Creates efficiencies and promotes accuracy in the delivery of health care.
   
   iii. Supports the ability to improve community health status.

2. Determine criteria for organizations and individuals to become and remain participants in the health information exchange, including criteria for organizations and individuals to be suspended and disengaged as participants in the health information exchange.

3. Develop and maintain a directory of health care provider's contact information to enable participants to share health information electronically.

4. Develop and maintain standards to ensure interoperability.

5. Establish and collect fees. Fees may include transaction fees, subscription fees or other fees or donations, to cover costs of implementation and operation of the health information exchange or for other services provided under this article. Receipt of services provided by or through the department may be conditioned on payment of fees. Participation in the health information exchange by any health care provider, payer, consumer or any other person is voluntary.
(6) Establish an advisory board under section 1404-C with a diverse membership representing interested and affected groups and individuals.

(7) Develop and conduct public information programs to educate and inform consumers and patients about health information.

(8) Submit an annual report to the Governor, the President pro tempore of the Senate and the Speaker of the House of Representatives for distribution to appropriate legislative committees on the activities of the program for the year, including a summary of the receipts and expenditures, a list of contracts and a summary of any reportable security breaches that occurred and corrective actions that were taken.

(9) Develop and maintain:

(i) a registry of patients choosing to opt out of the health information exchange; and
(ii) procedures to re-enroll into the health information exchange.

(10) Promulgate regulations, as necessary, to implement and administer this article.

(11) Perform all other activities in furtherance of the purposes of this article.

Section 1404-C. Pennsylvania eHealth Partnership Advisory Board.

(a) Establishment.--The Pennsylvania eHealth Partnership Advisory Board is established within the department as an advisory board.

(b) Composition.--The board shall consist of 16 THE FOLLOWING members, who must be residents of this Commonwealth, with two additional, ex officio nonvoting members selected by --
members of the board, composed and SHALL BE appointed as follows:

(1) The secretary or a designee, who shall be an employee of the department in writing prior to service.

(2) The Secretary of Health or a designee, who shall be an employee of the Department of Health designated in writing prior to service.

(3) The Insurance Commissioner or a designee, who shall be an employee of the Insurance Department designated in writing prior to service.

(4) One representative of the health care community focused on an unserved or underserved rural or urban patient population, who shall be appointed by the secretary from a list of individuals submitted for consideration by both the Pennsylvania Area Health Education Center and the Pennsylvania Association of Community Health Centers.

(5) One physician or nurse appointed by the secretary from lists of individuals submitted by the Pennsylvania Medical Society, the Pennsylvania Osteopathic Medical Association, the Pennsylvania Academy of Family Physicians and the Pennsylvania State Nurses Association. At least one name on each list shall include an individual residing in an unserved or underserved rural patient population area and an individual in an unserved or underserved urban patient population area.

(6) One hospital representative appointed by the secretary from a list of individuals submitted by the Hospital and Healthsystem Association of Pennsylvania. At least one name on this list shall include an individual residing in an unserved or underserved rural or urban patient population area.
population area.

(7) One insurance representative appointed by the secretary from lists of individuals submitted by the Blue Cross and Blue Shield plans and the Insurance Federation of Pennsylvania.

(8) One representative of an assisted living residence, personal care home, long-term care nursing facility, continuing care facility or behavioral or mental health facility who shall be appointed by the secretary.

(9) Two consumer representatives appointed by the secretary who are not primarily involved in providing health care or health care insurance. At least one of these individuals shall have expertise in health care or health care information technology or the laboratory industry.

(10) Three representatives from established health information organizations appointed by the President pro tempore of the Senate, in consultation with the Majority Leader and the Minority Leader of the Senate, each of whom shall recommend one person. At least one of these representatives shall be from the private information technology sector with knowledge about security issues.

(11) Three representatives from established health information organizations appointed by the Speaker of the House of Representatives, in consultation with the Majority Leader and the Minority Leader of the House of Representatives, each of whom shall recommend one person. At least one of these representatives shall be from the private information technology sector with knowledge about security issues.

(12) ONE HOME CARE OR HOSPICE REPRESENTATIVE APPOINTED
BY THE SECRETARY FROM A LIST OF INDIVIDUALS SUBMITTED BY A
STATEWIDE HOME CARE ASSOCIATION.

    (13) TWO EX OFFICIO NONVOTING MEMBERS APPOINTED BY THE
OTHER MEMBERS OF THE BOARD.

(c) Ex officio members.—The Secretary of Health, the
Insurance Commissioner, or their designees, shall serve on the
board as nonvoting ex officio members of the board.

(d) Terms.—Except a member as specified in subsection (b)
(1), (2) or (3), a member of the board shall serve for a term of
three years after completion of the initial terms designated in
subsection (h) and may not be eligible to serve more than two
full consecutive three-year terms. A member shall remain on the
board until the member's replacement is appointed.

(e) Quorum.—A majority of the appointed members of the
board shall constitute a quorum for the transaction of any
business. An act by a majority of the members present at a
meeting at which there is a quorum shall be deemed to be that of
the board.

(f) Meetings.—The board shall hold meetings at least
quarterly and may provide for special meetings as the board
deems necessary. The meetings shall be subject to the
requirements of 65 Pa.C.S. Ch. 7 (relating to open meetings).
Meetings of the board may be held anywhere within this
Commonwealth.

(g) Chairperson.—The secretary shall appoint a chairperson
of the board. The members of the board shall annually elect, by
a majority vote of the members, a vice chairperson from among
the members of the board.

(h) Initial appointment and vacancy.—

(1) A member appointed under subsection (b)(4), (5) or
(6) shall be appointed to an initial term of two years with the option for reappointment to two additional three-year terms.

(2) A member appointed under subsection (b)(7) or (8) shall be appointed to an initial term of one year with the option for reappointment to two additional three-year terms.

(3) A member appointed under subsection (b)(9) shall be appointed to an initial term of three years with the option for reappointment to one additional three-year term.

(4) A member appointed under subsection (b)(10) or (11) shall be appointed to an initial term that coincides with the appointing members' terms with the option for reappointment to two additional three-year terms.

(i) Formation.--The board shall be formed within 90 days of the effective date of this article.

(j) Reimbursement.--The members of the board may not receive a salary or per diem allowance for serving as members of the board but shall be reimbursed for actual and necessary expenses incurred in the performance of the members' duties.

Section 1405-C. Establishment of fund.

The Pennsylvania eHealth Partnership Fund, established under section 501 of the act of July 5, 2012 (P.L.1042, No.121), known as the Pennsylvania eHealth Information Technology Act, is continued.

Section 1406-C. Funds.

All money deposited into the fund shall be held for the purposes under this article and may not be considered a part of the General Fund but shall be used only to effectuate the purposes of this article as determined by the department. All interest earned from the investment or deposit of money
accumulated in the fund shall be deposited in the fund for the same use.

Section 1407-C. Consent and confidentiality of health information.

(a) Construction.--

(1) Nothing in this article shall be construed to prohibit a health care provider or payer from obtaining and storing a patient's health records in electronic form or exchanging health information with another health care provider or payer in accordance with Federal law or State law other than this article.

(2) Nothing in this article shall supersede or limit any other law which requires additional consent to the release of health information or otherwise establishes greater restrictions or limitations on the release of health information.

(b) Consent.--The department shall publish a consent form including notice of a patient's ability to decline to allow exchange of the patient's electronic health information in the health information exchange. The notice shall include, at a minimum and in plain language, the following information:

(1) Definition of a health information exchange.

(2) Explanation of the benefits of participation in the health information exchange.

(3) Explanation of the limits of the patient's ability to decline the release or exchange of the patient's health information with the health information exchange.

(4) Explanation of the manner in which the health information exchange will address privacy issues.

(5) Explanation of the manner in which an individual may
decline to participate in the health information exchange.

(c) Opt-out registry.--

(1) In order to decline participation in the health information exchange, a patient must sign and date a form declining participation. If appropriate, the signature must be witnessed by the patient's representative. Copies of the completed form shall be sent by the provider within five business days to the department to be included in an opt-out registry.

(2) After receipt of the form, the department shall within five business days notify health information organizations that the patient has not authorized the release of the health information through the health information exchange.

(3) Once the patient is included in the opt-out registry, the department shall notify the patient. The notification shall include a copy of the completed form signed by the patient or electronic notification to the patient.

(4) The patient alone shall decide to opt out of the health information exchange.

(d) Disclosure.--

(1) The department may not disclose, without prior written consent of the patient, any health information that the department or its employees, agents or contractors retain under this article, or to which the department or its agents or contractors have access or any other health records maintained or accessible by the department under this article, to any person who is not an authorized employee, agent or contractor of the department, except as required or
permitted by law.

(2) Sharing health information among participants in the health information exchange shall not be considered a disclosure under paragraph (1).

(3) Violations of this subsection:

(i) Shall subject employees, agents and contractors to administrative discipline, including discharge and suspension.

(ii) Shall subject contractors to monetary penalties or contract revocation or suspension.

(e) Construction.--Nothing in this article may be construed to alter a proprietary interest held by any participant in any record, data or information released, accepted or included in the health information exchange, except insofar as the paperwork approved by the department may require participants to license those interests by contract in order to allow for the free flow of information.

Section 1408-C. Nonapplicability.

(a) This article is subject to 1 Pa.C.S. § 2310 (relating to sovereign immunity reaffirmed; specific waiver).

(b) Health information or personally identifying information shall not be considered a public record for purposes of the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

(c) Nothing in this article is intended to affect common law or statutory rights or obligations with respect to patient accessibility to their electronic or nonelectronic medical records.

(d) Nothing in this article shall be construed to alter, limit or supersede any other provision of law regarding the
Department's duties, powers, responsibilities and authority that exist separate from this article.

Section 11. Repeals are as follows:

(1) The General Assembly declares that the repeal under paragraph (2) is necessary to effectuate the addition of Article XIV-C of the act.

(2) The act of July 5, 2012 (P.L.1042, No.121), known as the Pennsylvania eHealth Information Technology Act, is repealed.

Section 12. Except as otherwise provided in Article XIV-C of the act, all activities initiated under the act of July 5, 2012 (P.L.1042, No.121), known as the Pennsylvania eHealth Information Technology Act, shall continue and remain in full force and effect and may be completed under Article XIV-C of the act. Orders, regulations, rules and decisions which were made under the Pennsylvania eHealth Information Technology Act and which are in effect on the effective date of this section shall remain in full force and effect until revoked, vacated or modified under Article XIV-C of the act. Contracts and obligations entered into under the Pennsylvania eHealth Information Technology Act are not affected nor impaired by the repeal of the Pennsylvania eHealth Information Technology Act. All contracts, grants, procurement documents and partnership agreements under the Pennsylvania eHealth Information Technology Act in effect on the effective date of this section are assigned to the Department of Human Services.

Section 13. This act shall take effect immediately.