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# A BILL FOR AN ACT

RELATING TO HEALTH INFORMATION EXCHANGE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. In recent years, the establishment and  
2 development of health information exchanges within the United  
3 States has become increasingly significant, reflecting the  
4 changing role that technology plays in the way we operate  
5 government and business.

6           Public health experts and federal and state governments  
7 recognize the potential economic and health benefits of health  
8 information exchanges and similar e-health initiatives and are  
9 searching for ways to further their growth. Health information  
10 technology has been set as a key component of the federal  
11 American Recovery and Reinvestment Act of 2009, Pub. L. 111-5  
12 and the President has previously pledged \$10,000,000,000 toward  
13 the development and implementation of health information  
14 technology.

15           As a way to encourage states to adopt health information  
16 exchanges, the Centers for Medicare and Medicaid Services and  
17 the United States Department of Health and Human Services,  
18 Office of the Inspector General, have provided new exceptions to

1 the Stark Law, an "anti-kickback" statute relating to health  
2 information technology and a physician referring a patient to a  
3 medical facility in which the physician has a financial  
4 interest. Even the National Conference of State Legislatures  
5 has reported that "states are moving at an unprecedented rate to  
6 get their health care systems wired and connected."

7 The legislature finds that funding under the federal 2009  
8 economic stimulus plan will support growth and expansion of the  
9 use of health information technology in Hawaii through public-  
10 private partnerships between all interested health care  
11 stakeholders to build a statewide network for the people in the  
12 State.

13 The purpose of this Act is to establish an office of the  
14 state coordinator of health information technology within the  
15 department of health to coordinate local efforts, identify  
16 funding sources, integrate state health programs, and work  
17 towards participation in the national health information  
18 technology network. Health information may include electronic  
19 medical records, the creation of a health information exchange,  
20 and efforts to improve comparative effectiveness. Another  
21 important component of health information technology is ensuring  
22 that individuals receiving a medical education in the State are

1 fully educated in the use of health information technology to be  
2 ready to implement these important tools in their practices  
3 through the use of electronic medical records and a health  
4 information exchange.

5 SECTION 2. Chapter 321, Hawaii Revised Statutes, is  
6 amended by adding a new part to be appropriately designated and  
7 to read as follows:

8 **"PART . HEALTH INFORMATION TECHNOLOGY**

9 **§321- Definitions.** Whenever used in this part, unless  
10 the context otherwise requires:

11 "Department" means the department of health.

12 "Director" means the director of health.

13 "E-prescribing" means a prescriber's ability to  
14 electronically send an accurate, error-free, and understandable  
15 prescription directly to a pharmacy from the point-of-care.

16 "Fund" means the health information technology special fund  
17 as established under this part.

18 "Health care facility" has the meaning as defined in  
19 section 323D-2.

20 "Health care provider":

21 (1) Means a physician or surgeon or osteopathic physician  
22 or surgeon licensed under chapter 453, a dentist

1 licensed under chapter 448, a podiatrist licensed  
2 under chapter 463E, a health care facility as defined  
3 under section 323D-2, and any of their employees; and  
4 (2) Shall not include any nursing institution or nursing  
5 service conducted by and for those who rely upon  
6 treatment by spiritual means through prayer alone, or  
7 employees of these institutions or services.

8 "Office" means the office of the state coordinator of  
9 health information technology as established under this part.

10 "Qualified state-designated entity" means an entity  
11 selected by the State through a competitive process.

12 "Rural or underserved areas" means any community or island  
13 having a population under five hundred thousand and that lacks  
14 adequate access to basic health care.

15 **§321- Office of the state coordinator of health**

16 **information technology; establishment.** (a) There is  
17 established within the department of health the office of the  
18 state coordinator of health information technology that shall be  
19 headed by an administrator who shall be nominated and, by and  
20 with the advice and consent of the senate, appointed by the  
21 governor pursuant to section 26-34. The office of the state  
22 coordinator of health information technology shall:

- 1 (1) Promote economic stimulus and recovery in Hawaii by  
2 leveraging federal initiatives to invest in the  
3 improvement of the health care delivery system;
- 4 (2) Convene meetings with all stakeholders interested in  
5 submitting grant proposals to the office of the  
6 national coordinator of health information technology  
7 consistent with the policy intentions and requirements  
8 included in federal legislation;
- 9 (3) Work with educational organizations to develop grant  
10 proposals for medical informatics and health care  
11 information technology training as identified by  
12 federal legislation;
- 13 (4) Facilitate the development of a plan for an integrated  
14 electronic health information infrastructure,  
15 including a health information exchange, for the  
16 sharing of electronic health information among health  
17 care facilities, health care professionals, public and  
18 private payers, and patients;
- 19 (5) Develop a process and evaluation criteria for state  
20 designation to an organization that completes grant  
21 proposals that meet the requirements of federal  
22 legislation and any other guidance which may be

- 1 provided by the office of the national coordinator of  
2 health information technology;
- 3 (6) Enhance broad and varied participation in the  
4 authorized and secured nationwide electronic use and  
5 exchange of health information;
- 6 (7) Coordinate local efforts to increase the adoption and  
7 use of certification commission for health information  
8 technology electronic health records and  
9 e-prescribing; identify funding sources; integrate  
10 with state and federal health programs, including but  
11 not limited to medicaid, workers' compensation,  
12 temporary assistance to needy families, and the state  
13 children's health insurance program; and integrate  
14 with federal health programs including but not limited  
15 to the national health information technology network  
16 for the promotion of health information technology;
- 17 (8) Collaborate with the department of health, department  
18 of human services, health care providers, and health  
19 care facilities to ensure that all applicable federal  
20 patient privacy laws are identified and ensured  
21 through administrative rules and procedures, including  
22 the development of risk management policies and

- 1 procedures and liability limits for physicians and  
2 hospitals that contribute data to the health  
3 information exchange;
- 4 (9) Promote effective strategies to adopt and use health  
5 information technology across the state, particularly  
6 in rural or underserved areas; and
- 7 (10) Assist patients in using health information  
8 technology."

9 SECTION 3. **Health information exchange task force;**  
10 **establishment.** (a) There is established, within the office of  
11 the state coordinator of health information technology, for  
12 administrative purposes only, the health information exchange  
13 task force that shall advise the state coordinator of health  
14 information technology and work to accelerate planning for  
15 health information exchange that interfaces all providers of  
16 services in the health care continuum, including but not limited  
17 to hospitals, physicians, insurance plans, laboratories, and  
18 long-term care. The task force shall be comprised of:

19 (1) A representative from each of the participating health  
20 plans within the State, to be appointed by the  
21 governor from a list of candidates submitted by the

- 1 president of the senate and speaker of the house of  
2 representatives;
- 3 (2) A representative from health care purchasers and  
4 employers, to be appointed by the governor from a list  
5 of candidates submitted by the president of the senate  
6 and speaker of the house of representatives;
- 7 (3) The president of the Hawaii state bar association, or  
8 the president's designee;
- 9 (4) A representative from the insurance industry, to be  
10 appointed by the governor from a list of candidates  
11 submitted by the president of the senate and speaker  
12 of the house of representatives;
- 13 (5) A representative from patient or consumer  
14 organizations, to be appointed by the governor from a  
15 list of candidates submitted by the president of the  
16 senate and speaker of the house of representatives;
- 17 (6) A representative from the technology industry, to be  
18 appointed by the governor from a list of candidates  
19 submitted by the president of the senate and speaker  
20 of the house of representatives;
- 21 (7) A representative from the health information vendor  
22 industry, to be appointed by the governor from a list

- 1 of candidates submitted by the president of the senate  
2 and speaker of the house of representatives;
- 3 (8) A clinical researcher, to be appointed by the governor  
4 from a list of candidates submitted by the president  
5 of the University of Hawaii and dean of the John A.  
6 Burns School of Medicine;
- 7 (9) One majority member of the house of representatives,  
8 or the representative's designee, appointed by the  
9 speaker of the house of representatives;
- 10 (10) One minority member of the house of representatives,  
11 or the representative's designee, appointed by the  
12 speaker of the house of representatives;
- 13 (11) One majority member of the senate, or the senator's  
14 designee, appointed by the president of the senate;
- 15 (12) One minority member of senate, or the senator's  
16 designee, appointed by the president of the senate;
- 17 (13) The director of health, or the director's designee;
- 18 (14) The director of human services, or the director's  
19 designee;
- 20 (15) The director of commerce and consumer affairs, or the  
21 director's designee;

- 1 (16) The director of business, economic development, and  
2 tourism, or the director's designee;
- 3 (17) The director of budget and finance, or the director's  
4 designee;
- 5 (18) The president of the University of Hawaii, or the  
6 president's designee; and
- 7 (19) Any other stakeholders who wish to participate,  
8 including other users of health information technology  
9 such as support and clerical staff of providers and  
10 others involved in the care and care coordinators of  
11 patients; provided that the president of the Hawaii  
12 Medical Association, or the president's designee,  
13 shall be requested to participate as a member of the  
14 task force.

15 The chairperson shall be selected by the members of the  
16 task force. Task force members shall serve without compensation  
17 but shall be reimbursed for expenses, including travel expenses,  
18 necessary for the performance of their duties.

19 (b) The task force shall develop a five-year strategic  
20 plan for the office of state coordinator of health information  
21 technology that shall include, but not be limited to:

- 1 (1) Consistency with the strategic plan as developed by  
2 the United States Department of Health and Human  
3 Services, Office of the National Coordinator of Health  
4 Information Technology;
- 5 (2) A detailed plan for the execution of the state  
6 strategic plan, including defining the role of the  
7 State and private sector;
- 8 (3) The establishment of a competitive process and  
9 examination criteria to designate the health  
10 information exchange;
- 11 (4) Its impact on the public health care structure in  
12 Hawaii including but not limited to quality and access  
13 to health care within the state, especially in rural  
14 and medically underserved areas, and the cost of  
15 health care within the state;
- 16 (5) An education and awareness campaign; and
- 17 (6) Identification of additional structural or financial  
18 resources that can be utilized to enhance the health  
19 information exchange network.
- 20 (c) The health information exchange task force shall  
21 submit a report of its findings, goals, and finalized five-year  
22 strategic plan no later than twenty days prior to the convening

1 of the regular session of 2010, and every year thereafter until  
2 the task force shall cease to exist.

3 (d) The health information exchange task force shall cease  
4 to exist on June 30, 2011.

5 SECTION 4. This Act shall take effect on July 1, 2010.

**Report Title:**

Health Information Exchange Task Force; Health Information  
Technology

**Description:**

Creates an office of the state coordinator of health information  
technology and a health information exchange task force to  
assist in developing a health information exchange program.  
Effective 07/01/2050. (SD2)