

Alaska State Senate

Senator Forrest Dunbar

Session:

Alaska State Capitol
Juneau, Alaska 99801
(907) 465-6944



Interim:

1500 W. Benson Blvd.
Anchorage, Alaska 99503
(907) 269-0246

Proudly Serving Senate District J

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SB 272

Sponsor Statement

The Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009 mandated the adoption of electronic health records (EHRs) across states by linking federal funding to rigorous technical standards. HITECH removed the fragmented, state-by-state approach to medical record-keeping and replaced it with a unified national vision. This legislative push was critical in establishing Health Information Exchanges (HIE) within states, allowing for the seamless and secure flow of clinical data across geographic and institutional boundaries.

In response, the 26th Alaska Legislature passed SB 133, providing the framework to establish a statewide HIE and improve the safety, cost effectiveness, and quality of health care in Alaska. Since 2009, both EHRs and HIEs have matured and evolved, necessitating updates to Alaska's HIE law.

SB 272 improves the holistic approach to Alaska's HIE, while continuing to uphold the strict privacy and security standards required by law. It promotes transparency and improves the allowable uses and governance of the HIE.

Key changes in SB 272 includes:

- Providing clarity in the division of responsibilities between the Alaska Department of Health and the designee administering the HIE system
- Ensuring that an individual who is the subject of individually identifiable information can authorize disclosure of their information for purposes they choose
- Clarifying the scope of data by providing specific detail on allowable uses for limited health care operations and codifying public health as a primary allowable use (which is currently in regulation)
- Adds a representative to the governing body, representing behavioral health providers

SB 272 does not change the core allowable uses of the HIE but provides updated and clear language ensuring that Alaska's HIE effectively functions as core health care infrastructure. The updated language balances the maximum benefit of the HIE while protecting patient privacy.

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SENATE BILL NO. 272

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH AND SOCIAL SERVICES COMMITTEE

Introduced: 2/25/26

Referred: Health & Social Services, Labor & Commerce

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the electronic health information exchange system; and providing
2 for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 18.23.300(a) is amended to read:

5 (a) The department shall establish and implement a statewide electronic health
6 information exchange system and ensure the interoperability and compliance of the
7 system with state and federal specifications and protocols for exchanging health
8 records and related data.

9 * **Sec. 2.** AS 18.23.300(b) is repealed and reenacted to read:

10 (b) The commissioner shall designate a qualified entity or combination of
11 qualified entities in the state to perform the tasks described in this subsection. The
12 designee must have an advisory or governing body made up of health system
13 stakeholders that include members identified under (d) of this section. The designee
14 shall

1 (1) develop a statewide program to support the system connecting
2 electronic health records to the health information exchange infrastructure, including

3 (A) support for installation and training on the use of the
4 system;

5 (B) a plan to encourage eligible participants to use electronic
6 exchange of records over a sustained period;

7 (C) support to system participants for workflow redesign and
8 quality improvement;

9 (D) a plan to provide for participation by all identified
10 stakeholders in the planning and implementation of the system;

11 (E) measures for periodic evaluation and improvement of the
12 system;

13 (F) oversight and technical assistance needed for planning and
14 implementing the system;

15 (2) submit an annual budget for the program described in (1) of this
16 subsection for approval by the designee's governing body;

17 (3) comply with state nondiscrimination and conflict of interest
18 policies;

19 (4) comply with federal and state health information privacy laws,
20 policies, and standards applicable to the exchange of individually identifiable
21 information to ensure the privacy and security of the information that is part of the
22 system;

23 (5) provide an estimate of costs of the hardware, software, services,
24 and support needed to implement and maintain the technical infrastructure of the
25 system; and

26 (6) provide cost and cost saving data associated with the development
27 and use of the system to the department.

28 * **Sec. 3.** AS 18.23.300(c) is amended to read:

29 (c) The department **and the designee** may [ENTER INTO CONTRACTS,]
30 seek and accept available **public** [FEDERAL] and private funds and equipment. **The**
31 **department may enter into contracts** [,] and adopt regulations necessary to carry out

1 the purposes of this section.

2 * **Sec. 4.** AS 18.23.300(d) is amended to read:

3 (d) The designee [UNDER (b)(1)(A) OF THIS SECTION] may be a private
4 for-profit or nonprofit entity or entities under contract with the state. The advisory or
5 governing body of the designee must include

6 (1) the commissioner;

7 (2) **nine** [EIGHT] other individuals, each of whom represents one of
8 the following interests:

9 (A) hospitals and nursing home facilities;

10 (B) private medical care providers;

11 (C) community-based primary care providers;

12 (D) federal health care providers;

13 (E) Alaska tribal health organizations;

14 (F) health insurers;

15 (G) health care consumers;

16 (H) employers or businesses;

17 **(I) behavioral health providers;** and

18 (3) **a** [TWO] nonvoting liaison **member** [MEMBERS] who shall serve
19 to enhance communication and collaboration between the designee and [BOTH] the
20 Board of Regents of the University of Alaska; and

21 **(4) at least one nonvoting liaison member chosen by the governing**
22 **body to represent other stakeholders and community interest related to the**
23 **system** [THE COMMISSION ESTABLISHED IN THE GOVERNOR'S OFFICE TO
24 REVIEW HEALTH CARE POLICY].

25 * **Sec. 5.** AS 18.23.305 is amended to read:

26 **Sec. 18.23.305. Department; duties.** In carrying out its duties under
27 AS 18.23.300, the department shall

28 (1) in accordance with federal recommendations **and in consultation**
29 **with the designee**, determine the manner in which the system is developed and
30 operated;

31 (2) [PROVIDE OVERSIGHT AND TECHNICAL ASSISTANCE

1 NEEDED FOR PLANNING AND IMPLEMENTING THE SYSTEM;

2 (3) AUTHORIZE AND] facilitate applications for any [AVAILABLE
3 FEDERAL] funding available for planning and implementing the system;

4 **(3)** [(4) ENSURE COMPLIANCE WITH APPLICABLE FEDERAL
5 AND STATE HEALTH INFORMATION POLICIES AND STANDARDS;

6 (5) ENSURE COMPLIANCE WITH FEDERAL AND STATE LAW
7 AND STANDARDS THAT SAFEGUARD THE PRIVACY AND SECURITY OF
8 HEALTH INFORMATION;

9 (6)] ensure that the [HEALTH INFORMATION EXCHANGE] system
10 becomes self-sustaining through a combination of user fees, which may include user
11 fees charged to the department or other government entities, and other private and
12 public funding sources.

13 * **Sec. 6.** AS 18.23.310 is amended to read:

14 **Sec. 18.23.310. Confidentiality and security of information.** (a) The
15 department shall ensure the designee establishes [ESTABLISH] appropriate privacy
16 and security standards to protect the disclosure, transmission, and receipt of
17 individually identifiable information contained in the system established under
18 AS 18.23.300. The standards must

19 (1) include controls over access to and collection, organization, and
20 maintenance of records and data that protect the confidentiality of the individual who
21 is the subject of the [A HEALTH] record in accordance with applicable state and
22 federal law;

23 (2) include a secure and traceable electronic audit system for
24 identifying access points and trails;

25 (3) meet the most stringent applicable federal or state privacy law
26 governing the protection of the information contained in the system.

27 (b) A person may not release or publish individually identifying [HEALTH]
28 information from the system except for the following purposes:

29 (1) treatment of a patient who is the subject of the information;

30 (2) to facilitate payment for services received by a patient who is
31 the subject of the information;

1 **(3) limited health care operations of a participant;**
 2 **(4) public health activities; or**
 3 **(5) uses or disclosures authorized by the individual who is the**
 4 **subject of the information** [FOR PURPOSES UNRELATED TO THE
 5 TREATMENT OR BILLING OF THE PATIENT WHO IS THE SUBJECT OF THE
 6 INFORMATION. USE OR DISTRIBUTION OF THE INFORMATION FOR A
 7 MARKETING PURPOSE IS STRICTLY PROHIBITED].

8 (c) The **designee** [DEPARTMENT] shall establish procedures for a patient
 9 who is the subject of a health record contained in the system

10 (1) to opt out of the system;

11 (2) to **authorize** [CONSENT TO] the distribution of the patient's
 12 records contained in the system, **if additional authorization is necessary under**
 13 **applicable privacy and security laws;**

14 (3) to be notified of a violation of the confidentiality provisions
 15 required under this section;

16 (4) on request to the **designee** [DEPARTMENT], to view an audit
 17 report created under this section for the purpose of monitoring access to the patient's
 18 records.

19 * **Sec. 7.** AS 18.23.325(3) is amended to read:

20 (3) "system" means the statewide electronic health information
 21 exchange system established under AS 18.23.300, **but does not include technical**
 22 **infrastructure, software, or information that is owned or managed by**
 23 **participants in the system.**

24 * **Sec. 8.** AS 18.23.325 is amended by adding a new paragraph to read:

25 (4) "designee" means the entity or entities designated under
 26 AS 18.23.300(b).

27 * **Sec. 9.** This Act takes effect immediately under AS 01.10.070(c).

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Sectional Analysis

Section 1 amends AS 18.23.300(a) to refine the department's mandate for establishing and implementing the statewide electronic health information exchange system. It emphasizes ensuring system interoperability and compliance with state and federal protocols for data exchange.

Section 2 repeals and reenacts AS 18.23.300(b) regarding the designation of a qualified entity to manage system tasks.

- **Subsection (b)** requires the commissioner to designate one or more qualified entities to perform specific tasks, overseen by a body of health system stakeholders.
- **Paragraph (1)** tasks the designee with developing a statewide program to connect electronic health records to the exchange infrastructure.
 - **Subparagraphs (A)–(F)** outline responsibilities including training, participant encouragement, workflow support, stakeholder planning, evaluation, and technical assistance.
- **Paragraphs (2)–(6)** require the designee to submit an annual budget, comply with nondiscrimination and privacy laws, and provide cost-saving data to the department.

Section 3 amends AS 18.23.300(c) to allow the department and its designee to seek both public and private funds and equipment. It also clarifies the department's authority to enter into contracts and adopt necessary regulations.

Section 4 amends AS 18.23.300(d) regarding the designee's governance and composition. The designee may be a private for-profit or nonprofit entity under state contract.

- **Paragraph (2)** increases the number of representative individuals on the governing body from eight to nine.
- **Subparagraphs (A)–(I)** list the specific interest groups represented, including hospitals, tribal health organizations, insurers, and adds a representative from behavioral health providers.
- **Paragraphs (3)–(4)** adjust the number of nonvoting liaison members, including a representative for the University of Alaska and other stakeholders.

Section 5 amends AS 18.23.305 regarding department duties.

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- **Paragraph (1)** mandates consultation with the designee on system development.
- **Paragraph (2)** tasks the department with facilitating applications for available funding.
- **Paragraph (3)** requires the department to ensure the system becomes self-sustaining through user fees and other funding sources.

Section 6 amends AS 18.23.310 concerning the confidentiality and security of information.

- **Subsection (a)** adds privacy and disclosure standards as a departmental requirement for individually identifiable information.
- **Subsection (b)** limits the release of individually identifying information to treatment, limited health care operations, payment, public health, or authorized disclosures.
- **Subsection (c)** requires the designee to establish patient "opt-out" procedures and notification protocols for confidentiality violations.

Section 7 amends the definition of "system" under AS 18.23.325(3) to exclude infrastructure or software owned or managed by individual participants of the HIE.

Section 8 adds a new paragraph to AS 18.23.325 defining "designee" as the entity or entities designated under subsection (b).

Section 9 provides for an immediate effective date.

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: SB 272
 Fiscal Note Number: _____
 () Publish Date: _____

Identifier: SB272-DOH-ITS-03-05-26
 Title: HEALTH INFORMATION EXCHANGE
 Sponsor: HEALTH & SOCIAL SERVICES
 Requester: (S) HSS

Department: Department of Health
 Appropriation: Departmental Support Services
 Allocation: Information Technology Services
 OMB Component Number: 2754

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2027 Request	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**
 If yes, by what date are the regulations to be adopted, amended or repealed? **07/01/26**

Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

Prepared By: <u>Jason Ball</u>	Phone: <u>(907)444-7030</u>
Division: <u>Office of the Commissioner</u>	Date: <u>03/05/2026</u>
Approved By: <u>Pam Halloran, Assistant Commissioner</u>	Date: <u>03/06/26</u>
Agency: <u>Department of Health</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. SB272

Analysis

SB272 modernizes and clarifies elements of AS 18.23.300 related to the implementation of Alaska's Health Information Exchange (HIE). The proposed changes are not anticipated to result in additional contracts, infrastructure, or positions. The primary changes in SB272 address newer data sharing, security, and patient consent principles that don't fundamentally alter the finances of operating an HIE. SB272 also clarifies some of the responsibilities of both the Department of Health and the designated entity established under AS 18.23.300.

An adjustment to HIE regulations under 7AAC 166 will be necessary to align with the revised statutes. The department anticipates that this can be accomplished within existing resource allocations.