

**SENATE BILL NO. 133**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY SENATORS PASKVAN, Davis

Introduced: 3/2/09

Referred: Health and Social Services, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act creating a statewide electronic health information exchange system; and**  
2 **providing for an effective date."**

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

4 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
5 to read:

6 LEGISLATIVE INTENT. It is the intent of the legislature to create a secure electronic  
7 health information exchange system that

8 (1) ensures that the confidentiality of individually indentifying health  
9 information of a patient is secure and protected;

10 (2) improves health care quality, reduces medical errors, increases the  
11 efficiency of care, and advances the delivery of appropriate, evidence-based health care  
12 services;

13 (3) promotes wellness, disease prevention, and management of chronic  
14 illnesses by increasing the availability and transparency of information related to the health

1 care needs of an individual for the benefit of the individual;

2 (4) ensures that appropriate information needed to make medical decisions is  
3 available in a usable form at the time and in the location that the medical service is provided;

4 (5) produces greater value for health care expenditures by reducing health care  
5 costs that result from inefficiency, medical errors, inappropriate care, and incomplete  
6 information;

7 (6) promotes a more effective marketplace, greater competition, greater  
8 systems analysis, increased choice, enhanced quality, and improved outcomes in health care  
9 services; and

10 (7) improves the coordination of information and the provision of health care  
11 services through an effective infrastructure for the secure and authorized exchange and use of  
12 health care information.

13 \* **Sec. 2.** AS 18.23 is amended by adding new sections to read:

14 **Article 4. Electronic Health Information Exchange System.**

15 **Sec. 18.23.300. Creation of health information exchange system.** (a) The  
16 department shall establish and implement a statewide electronic health information  
17 exchange system and ensure the interoperability and compliance of the system with  
18 state and federal specifications and protocols for exchanging health records and data.

19 (b) The system established under this section must

20 (1) include infrastructure planning that involves

21 (A) the designation by the commissioner of a qualified  
22 nonprofit entity in the state that

23 (i) has an advisory body made up of health system  
24 stakeholders that include representatives of state and local government  
25 interests, health care providers, health care insurers, and health care  
26 facilities;

27 (ii) applies for available federal and state funding for  
28 planning and implementation of the system;

29 (iii) provides oversight and technical assistance  
30 necessary for planning and implementing the system;

31 (iv) complies with nondiscrimination and conflict of

1 interest policies;

2 (v) meets and complies with federal and state health  
3 information policies and standards;

4 (vi) provides cost and cost saving data associated with  
5 the development and use of the system to the department;

6 (B) the development of statewide infrastructure to support the  
7 electronic health information exchange system established under this section  
8 and to connect electronic health records to the infrastructure;

9 (C) the development of a statewide technology plan, with the  
10 participation of identified stakeholders, to promote the implementation and  
11 sustained use by public and private health care payors and providers of  
12 electronic health records and the system established under this section in order  
13 to ensure interoperability among government-operated health information  
14 systems and other public and private health information and reporting systems;

15 (D) the development of policies and standards, consistent with  
16 federal and state law, to safeguard the privacy and security of health  
17 information;

18 (E) the development of a training and workforce development  
19 plan for implementing and serving the system;

20 (F) an estimate of costs of the hardware, software, services, and  
21 support needed to implement and maintain the technical infrastructure; and

22 (2) include implementation measures that

23 (A) provide for installation and training on the use of the  
24 system;

25 (B) set out a plan to encourage health care provider, payor, and  
26 patient use of electronic records over a sustained period of time;

27 (C) provide support to providers for workflow redesign, quality  
28 improvement, and care management services;

29 (D) provide for participation by all identified stakeholders in  
30 the planning and implementation of the system;

31 (E) comply with federal and state health information policies;

1 and

2 (F) provide for periodic evaluation and improvement of the  
3 system.

4 (c) The department may enter into contracts, seek and accept available federal  
5 and private funds and equipment, and adopt regulations necessary to carry out the  
6 purposes of this section.

7 **Sec. 18.23.305. Confidentiality and security of information.** (a) The  
8 department shall establish appropriate security standards to protect the transmission  
9 and receipt of individually identifiable information contained in the system established  
10 under AS 18.23.300. The standards must

11 (1) include controls over access to and collection, organization, and  
12 maintenance of records and data that protect the confidentiality of the individual who  
13 is the subject of a health record;

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

16 (3) meet the most stringent applicable federal or state privacy law  
17 governing the protection of the information contained in the system;

18 (b) A person may not release or publish individually indentifying health  
19 information from the system for purposes unrelated to the treatment or billing of the  
20 patient who is the subject of the information. Use or distribution of the information for  
21 a marketing purpose is strictly prohibited.

22 (c) The department shall establish procedures for a patient who is the subject  
23 of a health record contained in the system to

24 (1) opt out of the system;

25 (2) consent to the distribution of the patient's records contained in the  
26 system;

27 (3) be notified of a violation of the confidentiality provisions required  
28 under this section;

29 (4) on request to the department, view an audit report created under  
30 this section for the purpose of monitoring access to the patient's records.

31 **Sec. 18.23.310. Health information exchange system report to the**

1       **legislature.** The department shall provide to the legislature, on or before December 31  
2 of each year, an annual report on the progress of the health information exchange  
3 system in the state, including a specific set of recommendations for long-term  
4 participation and financial support by the state.

5               **Sec. 18.23.320. Contract conditions.** A contract entered into to carry out the  
6 purposes of AS 18.23.300 must require that the contractor meet applicable federal and  
7 state requirements for protecting health information privacy and security and  
8 nationally recognized standards for interoperability of health information technology.

9               **Sec. 18.23.325. Definitions.** In AS 18.23.300 - 18.23.325,

10                       (1) "commissioner" means the commissioner of health and social  
11 services;

12                       (2) "department" means the Department of Health and Social Services;

13                       (3) "system" means the statewide electronic health information  
14 exchange system established under AS 18.23.300.

15 \* **Sec. 3.** This Act takes effect July 1, 2009.