

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Health Regulation Committee

BILL: SB 2582

INTRODUCER: Senator Ring

SUBJECT: Florida Health Information Network

DATE: April 6, 2007

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Bedford	Wilson	HR	Pre-meeting
2.			GO	
3.			HA	
4.				
5.				
6.				

I. Summary:

The bill provides legislative intent promoting the establishment of a privacy-protected and secure integrated statewide network for the communication of electronic health information among authorized parties and to foster a coordinated public-private initiative for the development and operation of Florida's health information infrastructure. The bill requires the Agency for Health Care Administration (AHCA or agency) to promote the development of a health information network. The agency must develop a plan and performance standards for the formation and operation of a health information network. The bill specifies the duties of the agency in developing and implementing the plan for the network.

This bill creates section 408.064, Florida Statutes.

II. Present Situation:

Agency for Health Care Administration

Section 20.42, F.S., creates the AHCA. The agency is designated as the chief health policy and planning entity for the state. Chapter 408, F.S., provides the statutory authority for the programs administered and the functions performed by the agency.

The agency has been delegated some authority regarding electronic health records and the creation of a health information network under the Florida Statutes. Those statutory provisions, however, are rather broad and leave unanswered many questions regarding the network. Sections 408.05(4)(a)9., (b), and (c), and 408.062(5), F.S., direct the agency to:

- Monitor innovations in the health information technology industry and support the development and use of electronic health records and the development of a health information network.
- Administer, manage, and monitor a grants program to not-for profit organizations, regional health information organizations (RHIO), public health departments, or state agencies that submit proposals for advancing the development of a health information network.
- Integrate health data from state agencies and share the data with health care practitioners through a state health information network.
- Develop and implement a strategy for the sharing of electronic health records among health care facilities, health care providers, and health insurers.

The agency is authorized to develop rules to facilitate the functionality and protect the confidentiality of electronic health records and is required to report to the Governor, the Speaker of the House of Representatives, and the President of the Senate on legislative recommendations to protect the confidentiality of electronic health records.

Electronic Health Records/Sharing of Records

An electronic health record system, also known as an electronic medical record or a computer-based patient record, is an information system, which houses a health record. It is designed to provide users with access to complete and accurate clinical data, practitioner alerts and reminders, clinical decision support systems, and links to medical knowledge resources.¹

Currently in this country, health information is generally stored on “islands” of information at the facilities of the health care providers who generate the information. Even if a health care provider is among the minority that has an electronic health record system, until that system is connected to the electronic health record systems of other providers in the same geographical region, there is no effective and timely means to share the health information. The lack of effective access to clinical health information at the point of critical decision-making means that:

- Providers often must make significant decisions without the benefit of many critical facts and access to the latest relevant scientific findings;
- Quality and safety of the health care delivered without complete information are not as good as they could be in an information-rich health care system;
- Money is spent unnecessarily on duplicative tests and procedures;
- Public health officials do not have timely access to information needed for public health activities such as disease surveillance, outbreak detection, and emergency response; and
- Consumers are not able to participate meaningfully in the critical decisions regarding their health or the health of family members under their care.

In his Executive Order on April 27, 2004, President George W. Bush called for the widespread implementation of health information technology and the sharing of electronic health information within the next 10 years. He created the Office of the National Coordinator for

¹ *Health Information Management: Concepts, Principles, and Practice*. LaTour, K.M. and Eichenwald, S., 2002. Chicago: American Health Information Management Association.

Health Information Technology and charged the office to create an environment that will nurture health information sharing. In such a system, providers would have access to and use of health information exchanges through which the providers could view their patients' cumulative health data collated from multiple data sources (i.e., hospitals' clinical information systems, claims/payer-based data, outpatient clinic system, etc.). The office has awarded several contracts that will help establish standards and certification for a national health information network.

Florida Health Information Network

The agency provides staff support to the Governor's Health Information Infrastructure Advisory Board, which was established by Governor Jeb Bush's Executive Order 04-93 in May of 2004. The advisory board was created to advise and support the agency as it develops and implements a strategy for the adoption and use of electronic health records and creates a plan to promote the development and implementation of a Florida health information infrastructure. The board is authorized to continue to operate until June of 2007.

The advisory board is proposing the development of the Florida Health Information Network that would be a statewide health information infrastructure operating over the Internet, which will enable health care professionals to access a patient's medical records from any provider database connected to the network. The network would be a collaborative effort among state and local governments, and the private sector, including regional health information organizations and health insurers. The operational core of the Florida Health Information Network would be a state-level server that would function as the highest-level server in a statewide client/server hierarchy. The Governor's Health Information Infrastructure Advisory Board has released a draft Strategic Plan for the Adoption and Use of Electronic Health Records, which will soon be finalized by the board.² Further information about the Florida Health Information Network is available in a Draft White Paper prepared for the advisory board.³

The Florida Health Information Network, Inc.

In order to be prepared to implement the Florida health information infrastructure as a private initiative, if it was decided that the infrastructure would be developed completely in the private sector, the chair of the advisory board established and incorporated the FHIN, Inc. The corporation papers were filed on April 5, 2005. The FHIN, Inc., is registered as a not-for-profit corporation. As of this time, no state money has gone to the corporation.

Florida Health Information Network (FHIN) Grant Program

This program provides matching support to eligible organizations that endeavor to advance Florida's health information infrastructure. Funded projects must include health information exchange among two or more competing provider organizations and demonstrate the sharing of health information for purposes of patient care and public health, or they can implement an

² See the draft plan at: <http://www.fdhc.state.fl.us/dhit/meetings.shtml> (See January 12, 2006, Board Meeting)(Last visited on April 5, 2007).

³ *Draft White Paper: Florida Health Information Network Architectural Considerations for State Infrastructure*. Available at: http://www.fdhc.state.fl.us/dhit/FHIN_White_Paper.shtml (last visited on April 5, 2007).

outreach program to encourage the rapid adoption of electronic health records by physicians and other health practitioners.

The grant program will fund up to 50 percent of the cost of an eligible project in one of the following categories:

- Category 1 – Assessment and Planning, not to exceed \$150,000.
- Category 2 – Operations and Evaluation, not to exceed \$500,000.
- Category 3 – Training and Technical Assistance, not to exceed \$200,000.

There are required reports and deliverables associated with receiving the grants.

The agency received a \$1,531,737 appropriation in fiscal year 2005-06 for the Florida Health Information Network, to be used to provide grant funding for the planning and implementation of local and regional health information exchange projects and for technical assistance programs to encourage the adoption of electronic health record systems by physicians and other practitioners. Nine grant projects were awarded during the period January through June 30, 2006. These included five planning grants, three implementation grants, and one technical assistance grant.

The Legislature appropriated \$2 million for the FHIN grants program for FY 2006-07. Of that amount, \$1,768,843 has been awarded for seven health information exchange projects. The remainder of the \$2 million was awarded to JaxCare conditioned upon it working out a collaboration agreement with another provider in Jacksonville that had also received a grant. The agreement was never reached, so these funds have not been used.

Grant award criteria were not established or approved by the Legislature in the Florida Statutes, but were recommended by the Governor's Health Information Infrastructure Advisory Board and implemented by the AHCA in the selection process. Under the FHIN Grant Agreement, any intellectual property created under the grant is the property of the grantee, subject to the right of use by the AHCA

The Governor's Recommended Budget for FY 2007-08 includes \$3.8 million for the FHIN grants program.

Guiding Principles for the Development of Information Systems

Part I of ch. 282, F.S., establishes requirements for information resources management for state agencies. Section 282.3032, F.S., adopts guiding principles to ensure the best management of the state's information technology resources. The following are some of the guiding principles:

- State governmental entities should be committed to maximizing information sharing and participate in enterprise-wide efforts when appropriate.
- State governmental entities should maximize public access to data, while complying with legitimate security, privacy and confidentiality requirements.
- State governmental entities should strive for an integrated electronic system for providing individuals with information to the extent possible.

- Integration of data elements should be achieved by establishing standard definitions, formats, and integrated electronic systems, when possible.

III. Effect of Proposed Changes:

Section 1. The bill creates s. 408.064, F.S., providing legislative intent to promote the establishment of a privacy-protected and secure integrated statewide network for the communication of electronic health information among authorized parties and to foster a coordinated public-private initiative for the development and operation of Florida's health information infrastructure.

The bill makes the agency responsible for promoting the development of the health information network as a public-private partnership and requires the agency to develop a plan and performance standards for the formation and operation of the network.

The agency is required to:

- Institute a statewide health information network in the state by July 1, 2008, by:
 - Devising and implementing a strategic plan for infrastructure development;
 - Developing and maintaining the technical infrastructure necessary to perform the functions of the network;
 - Promoting an integrated approach to efforts to create a secure network for communication of electronic health information;
 - Marketing the network to promote widespread use of the network; and
 - Assisting in the development and expansion of existing local or regional health information networks and the creation of new networks.
- Develop and implement specific programs or strategies relating to regional or local health information networks;
- Specify standards among regional and local health information networks and other participants in the Florida Health Information Network, Inc., to promote effective statewide and interstate interoperability;
- Assess the adoption of electronic health records systems and utilization of the statewide network to identify and reevaluate the state's health information infrastructure strengths and weaknesses; and
- Develop and enforce privacy, security, operational, and technical standards among regional and local health information networks.

Section 2. Provides that the bill shall take effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, Section 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

If the agency obtains private health records through the Florida health information network, a public records exemption bill will need to be enacted to ensure that individual's personal medical records are not made public. This bill is linked to SB 2252, which is a public records exemption bill.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The AHCA has proposed funding in the amount of \$9,400,000 for the first year, \$8,700,000 for the second year, and \$7,546,000 in the third year for development of the statewide network. The first year's funding would provide \$7,412,000 for the health information network technical infrastructure, \$1,372,000 for professional staff, technical staff, and administrative personnel and overhead, and \$616,000 for practitioner outreach projects and a public education campaign.

The health information network technical infrastructure includes developing and maintaining the technical infrastructure necessary to perform the core functions of the network in the first year, including a record locator service, access control systems, secure communications, audit and reporting functions, and disaster recovery of core functions.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
