

Honolulu, Hawaii

MAR 27 2009

RE: H.B. No. 1782  
H.D. 2  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Health, to which was referred H.B. No. 1782, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH INFORMATION EXCHANGE,"

begs leave to report as follows:

The purpose of this measure is to establish the Office of State Coordinator of Health Information Exchange within the Department of Accounting and General Services to coordinate local efforts, identify funding sources, integrate state health programs, and eventually participate in the national health information technology network.

In addition, this measure:

- (1) Establishes the Health Information Exchange Special Fund for costs and expenses incurred in administering health information exchange initiatives contained in this measure;
- (2) Allows the Department of Accounting and General Services to contract out some or all of its duties to administer the components of the Office in accordance with the Hawaii State Procurement Code, and establishing requirements, restrictions, and conditions for any such contract;



- (3) Broadens the scope of the required health information exchange network to include all residents of the State, not just for medicaid recipients and other low-income uninsured residents;
- (4) Establishes the temporary Health Information Technology Task Force within the Department of Accounting and General Services to develop the ten-year strategic plan for the Office and the network;
- (5) Requires the task force to submit annual reports to the Legislature, including the finalized strategic plan prior to the 2010 Regular Session, and repealing the Task Force on June 30, 2014;
- (6) Requires the Department of Accounting and General Services to conduct a separate assessment of the Office, Network, and the task force;
- (7) Requires the Department of Health and the Department of Accounting and General Services to submit joint reports with their assessments to the Legislature, and establish a schedule for submittal of these reports in future years; and
- (8) Requires the Department of Budget and Finance to submit a financial report to the Legislature regarding the State's health information technology efforts, and establishing a schedule for submittal of these reports in future years.

Your Committee received testimony in support of this measure from the Hawaii Medical Association. Testimony in support of this measure with amendments was submitted by the Hawaii Primary Care Association and Hawaii Pacific Health. Ho'okele Personal Health Planners and Hawaii Health Information Exchange support the intent of the measure with reservations. Testimony in opposition to this measure was submitted by the Department of Budget and Finance, the Department of Accounting and General Services, and the Department of Human Services. Comments on this measure were submitted by the Department of Health and the Hawaii Medical Service Association.

Written testimony presented to the Committee may be reviewed on the Legislature's website.



Your Committee finds that health information technology and the health information exchange is an essential tool in significantly increasing health and safety in the State's health system as well as improving financial efficiency. Your Committee further finds health information is not state-owned information. Therefore, the primary focus of health information technology and the health information exchange should be placed on public-private partnerships.

Your Committee has amended this measure by:

- (1) Replacing the Department of Accounting and General Services with the Department of Health in all aspects of the measure;
- (2) Renaming the Office of the State Coordinator of Health Information Exchange to the Office of the State Coordinator of Health Information Technology;
- (3) Requiring the administrator of the Office of the State Coordinator of Health Information Technology to be appointed through the advise and consent provisions of section 26-34, Hawaii Revised Statutes;
- (4) Deleting the definition of "network";
- (5) Amending the definition of "qualified state-designated entity";
- (6) Amending the duties and responsibilities of the Office of the State Coordinator of Health Information Technology;
- (7) Deleting the health information exchange special fund;
- (8) Renaming the Health Information Technology Task Force to the Health Information Exchange Task Force;
- (9) Removing all provisions relating to assessments by the Departments of Accounting and General Services, Health, and Budget and Finance;
- (10) Directing the Health Information Exchange Task Force to develop a five, rather than ten, year strategic plan and further clarifying what the plan shall include;



- (11) Amending the appropriation to delete reference to the health information exchange special fund;
- (12) Changing the effective date to July 1, 2050, to encourage further discussion on this matter; and
- (13) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1782, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1782, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

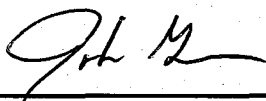
Respectfully submitted on  
behalf of the members of the  
Committee on Health,

  
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DAVID Y. IGE, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Health**  
**HTH**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1782, HD 2	HTH, WAM	3/23/09		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
GREEN, M.D., Josh (VC)	✓			
BAKER, Rosalyn H.	✓			
ESPERO, Will	✓			
NISHIHARA, Clarence K.	✓			
HEMMINGS, Fred				✓
<b>TOTAL</b>	5	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes