

**House File 2283 - Introduced**

HOUSE FILE 2283  
BY COMMITTEE ON HUMAN  
RESOURCES

(SUCCESSOR TO HSB 561)

**A BILL FOR**

1 An Act relating to the Iowa health information network,  
2 providing for fees, and including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 135.154, Code 2011, is amended by adding  
2 the following new subsections:

3 NEW SUBSECTION. 01. "*Advisory council*" means the electronic  
4 health information advisory council created in section 135.156.

5 NEW SUBSECTION. 001. "*Authorized*" means having met the  
6 requirements as a participant for access to and use of the Iowa  
7 health information network.

8 NEW SUBSECTION. 2A. "*Exchange*" means the authorized  
9 electronic sharing of health information between health care  
10 professionals, payors, consumers, public health agencies, the  
11 department, and other authorized participants utilizing the  
12 Iowa health information network and Iowa health information  
13 network services.

14 NEW SUBSECTION. 2B. "*Executive committee*" means the  
15 executive committee of the electronic health information  
16 advisory council created in section 135.156.

17 NEW SUBSECTION. 3A. "*Health information*" means any  
18 information, in any form or medium, that is created,  
19 transmitted, or received by a health care professional, payor,  
20 consumer, public health agency, the department, or other  
21 authorized participant, which relates to the past, present, or  
22 future physical or mental health or condition of an individual;  
23 the provision of health care to an individual; or the past,  
24 present, or future payment for the provision of health care to  
25 an individual.

26 NEW SUBSECTION. 4A. "*Health Insurance Portability and*  
27 *Accountability Act*" means the federal Health Insurance  
28 Portability and Accountability Act of 1996, Pub. L. No.  
29 104-191, including amendments thereto and regulations  
30 promulgated thereunder.

31 NEW SUBSECTION. 5A. "*Iowa health information network*" or  
32 "*network*" means the statewide health information technology  
33 network created in this division.

34 NEW SUBSECTION. 5B. "*Iowa Medicaid enterprise*" means the  
35 Iowa Medicaid enterprise as defined in section 249J.3.

1     NEW SUBSECTION. 5C. "*Participant*" means an authorized  
2 health care professional, payor, patient, health care  
3 organization, public health agency, or the department that  
4 has agreed to authorize, submit, access, or disclose health  
5 information through the Iowa health information network in  
6 accordance with this chapter and all applicable laws, rules,  
7 agreements, policies, and standards.

8     NEW SUBSECTION. 5D. "*Patient*" means a person who has  
9 received or is receiving health services from a health care  
10 professional.

11    NEW SUBSECTION. 5E. "*Payor*" means a person who makes  
12 payments for health services, including but not limited to an  
13 insurance company, self-insured employer, government program,  
14 individual, or other purchaser that makes such payments.

15    NEW SUBSECTION. 5F. "*Protected health information*" means  
16 individually identifiable health information which is created,  
17 transmitted, or received by a participant. "*Protected health*  
18 *information*" does not include education or other records that  
19 are covered under the federal Family Educational Rights and  
20 Privacy Act of 1974, as codified at 20 U.S.C. § 1232g, as  
21 amended; or any employment records maintained by a covered  
22 entity, as defined under the Health Insurance Portability and  
23 Accountability Act, in its role as an employer.

24    NEW SUBSECTION. 5G. "*Public health agency*" means an  
25 entity that is governed by or contractually responsible to a  
26 local board of health or the department to provide services  
27 focused on the health status of population groups and their  
28 environments.

29    NEW SUBSECTION. 5H. "*Purchaser*" means any individual,  
30 employer, or organization that purchases health insurance or  
31 services and includes intermediaries.

32    Sec. 2. Section 135.155, subsection 2, unnumbered paragraph  
33 1, Code 2011, is amended to read as follows:

34    To be effective, the Iowa health information ~~technology~~  
35 ~~system~~ network shall comply with all of the following

1 principles:

2 Sec. 3. Section 135.155, subsection 3, Code 2011, is amended  
3 to read as follows:

4 3. Widespread adoption of health information technology is  
5 critical to a successful Iowa health information ~~technology~~  
6 ~~system~~ network and is best achieved when all of the following  
7 occur:

8 a. The market provides a variety of certified products from  
9 which to choose in order to best fit the needs of the user.

10 b. The ~~system~~ network provides incentives for health care  
11 professionals to utilize the health information technology and  
12 provides rewards for any improvement in quality and efficiency  
13 resulting from such utilization.

14 c. The ~~system~~ network provides protocols to address critical  
15 problems.

16 d. The ~~system~~ network is financed by all who benefit from  
17 the improved quality, efficiency, savings, and other benefits  
18 that result from use of health information technology.

19 Sec. 4. NEW SECTION. 135.155A Findings and intent — Iowa  
20 health information network.

21 1. The general assembly finds all of the following:

22 a. Technology used to support health care-related functions  
23 is known as health information technology. Health information  
24 technology provides a mechanism to transform the delivery of  
25 health and medical care in Iowa and across the nation.

26 b. A health information network involves the secure  
27 electronic sharing of health information across the boundaries  
28 of individual practice and institutional health settings and  
29 with consumers. Broad use of health information technology and  
30 a health information network should improve health care quality  
31 and the overall health of the population, increase efficiencies  
32 in administrative health care, reduce unnecessary health care  
33 costs, and help prevent medical errors.

34 2. It is the intent of the general assembly that Iowa  
35 establish a statewide health information technology network.

1 The Iowa health information network shall not constitute a  
2 health benefit network or a health insurance network. Nothing  
3 in this division shall be interpreted to impede or preclude the  
4 formation and operation of regional, population-specific, or  
5 local health information networks or their participation in the  
6 Iowa health information network.

7 Sec. 5. Section 135.156, subsection 1, paragraphs a and b,  
8 Code Supplement 2011, are amended to read as follows:

9 a. The department shall direct a public and private  
10 collaborative effort to promote the adoption and use of health  
11 information technology in this state in order to improve  
12 health care quality, increase patient safety, reduce health  
13 care costs, enhance public health, and empower individuals  
14 and health care professionals with comprehensive, real-time  
15 medical information to provide continuity of care and make  
16 the best health care decisions. The department shall provide  
17 coordination for the development and implementation of an  
18 interoperable electronic health records system, telehealth  
19 expansion efforts, the health information technology  
20 infrastructure, the Iowa health information network, and other  
21 health information technology initiatives in this state.  
22 The department shall be guided by the principles and goals  
23 specified in section 135.155 and the findings and intent  
24 specified for an Iowa health information network in section  
25 135.155A.

26 b. All health information technology efforts shall endeavor  
27 to represent the interests and meet the needs of consumers and  
28 the health care sector, protect the privacy of individuals  
29 and the confidentiality of individuals' information, promote  
30 physician best practices, and make information easily  
31 accessible to the appropriate parties. The ~~system~~ network  
32 developed shall be consumer-driven, flexible, and expandable.

33 Sec. 6. Section 135.156, subsection 2, paragraph a, Code  
34 Supplement 2011, is amended to read as follows:

35 a. An electronic health information advisory council is

1 established which shall consist of the representatives of  
2 entities involved in the electronic health records system task  
3 force established pursuant to section 217.41A, Code 2007, a  
4 pharmacist, a licensed practicing physician, a consumer who  
5 is a member of the state board of health, a representative  
6 of the state's Medicare quality improvement organization,  
7 the executive director of the Iowa communications network, a  
8 representative of the private telecommunications industry, a  
9 representative of the Iowa collaborative safety net provider  
10 network created in section 135.153, a nurse informaticist from  
11 the university of Iowa, and any other members the department  
12 or executive committee of the advisory council determines  
13 necessary and appoints to assist the department or executive  
14 committee at various stages of development of the electronic  
15 Iowa health information system network. Executive branch  
16 agencies shall also be included as necessary to assist in the  
17 duties of the department and the executive committee. Public  
18 members of the advisory council shall receive reimbursement  
19 for actual expenses incurred while serving in their official  
20 capacity only if they are not eligible for reimbursement by  
21 the organization that they represent. Any legislative members  
22 shall be paid the per diem and expenses specified in section  
23 2.10.

24 Sec. 7. Section 135.156, subsection 3, paragraph a,  
25 subparagraphs (6) and (10), Code Supplement 2011, are amended  
26 to read as follows:

27 (6) Policies relating to governance of the various facets of  
28 the Iowa health information technology system network.

29 (10) Economic incentives and support to facilitate  
30 participation in an interoperable system network by health care  
31 professionals.

32 Sec. 8. Section 135.156, subsection 3, paragraph c,  
33 unnumbered paragraph 1, Code Supplement 2011, is amended to  
34 read as follows:

35 Coordinate public and private efforts to provide the

1 network backbone infrastructure for the Iowa health information  
2 ~~technology system~~ network. In coordinating these efforts, the  
3 executive committee shall do all of the following:

4 Sec. 9. Section 135.156, subsection 3, paragraphs h and i,  
5 Code Supplement 2011, are amended to read as follows:

6 *h.* Seek and apply for any federal or private funding to  
7 assist in the implementation and support of the Iowa health  
8 information ~~technology system~~ network and make recommendations  
9 for funding mechanisms for the ongoing development and  
10 maintenance costs of the Iowa health information ~~technology~~  
11 ~~system~~ network.

12 *i.* Identify state laws and rules that present barriers  
13 to the development of the Iowa health information ~~technology~~  
14 ~~system~~ network and recommend any changes to the governor and  
15 the general assembly.

16 Sec. 10. NEW SECTION. 135.156A Iowa health information  
17 network — business and financial sustainability plan and  
18 participant fees.

19 1. The board, with the support of the department and  
20 the advice of the executive committee and advisory council,  
21 shall establish and annually review and update a business and  
22 financial sustainability plan for the Iowa health information  
23 network. The plan shall include fees to be paid to the  
24 department by participants who choose to access and use the  
25 Iowa health information network. The participant fee schedule  
26 shall be structured using fair share, value-based principles.

27 2. The department shall update and submit a financial model,  
28 including fee schedule, revenue and expense projections, and a  
29 budget, to the executive committee and the board for approval  
30 on an annual basis.

31 Sec. 11. NEW SECTION. 135.156B Iowa health information  
32 network — duties of the department.

33 The department shall do all of the following:

34 1. Develop, implement, and enforce the following, as  
35 approved by the board:

1     *a.* Strategic, operational, and business and financial  
2 sustainability plans for the Iowa health information network.

3     *b.* Standards, requirements, policies, and procedures for  
4 access to and use, secondary use, and privacy and security  
5 of health information exchanged through the Iowa health  
6 information network, consistent with applicable federal and  
7 state standards and laws.

8     *c.* Rules, policies, and procedures for monitoring  
9 participant usage of the Iowa health information network and  
10 enforcing compliance with applicable standards, requirements,  
11 policies, rules, and procedures.

12    *d.* Policies and procedures for administering the  
13 infrastructure, technology, and associated professional  
14 services required for operation of the Iowa health information  
15 network and the provision of services through the Iowa health  
16 information network.

17    *e.* An annual budget and fiscal report for the business and  
18 technical operations of the Iowa health information network  
19 and an annual report for the Iowa health information network  
20 and the services provided through the Iowa health information  
21 network.

22    2. Provide human resources, budgeting, project and activity  
23 coordination, and related management functions to the Iowa  
24 health information network and the services provided through  
25 the Iowa health information network.

26    3. Enter into participation agreements with participants in  
27 the Iowa health information network.

28    4. Collect participant fees, record receipts and approvals  
29 of payments, and file required financial reports.

30    5. Apply for, acquire by gift or purchase, and hold,  
31 dispense, or dispose of funds and real or personal property  
32 from any person, governmental entity, or organization in  
33 the exercise of its powers or performance of its duties in  
34 accordance with this division.

35    6. Select and contract with vendors of goods and services in



1 compliance with all applicable state and federal procurement  
2 laws and regulations.

3 7. Work to align interstate and intrastate interoperability  
4 standards in accordance with national health information  
5 exchange standards.

6 8. Execute all instruments necessary or incidental to the  
7 performance of its duties and the execution of its powers under  
8 this division.

9 Sec. 12. NEW SECTION. 135.156C Iowa health information  
10 network fund.

11 1. The Iowa health information network fund is created as a  
12 separate fund within the state treasury under the control of  
13 the board. Revenues, donations, gifts, interest, participant  
14 fees, and other moneys received or generated relative to the  
15 operation and administration of the Iowa health information  
16 network shall be deposited in the fund.

17 2. Moneys in the fund are appropriated to and shall be  
18 expended by the department only for activities and operations  
19 suitable to the performance of the department's duties,  
20 subject to executive committee review and board approval.  
21 Disbursements may be made from the fund for purposes related  
22 to the administration, management, operations, functions,  
23 activities, or sustainability of the Iowa health information  
24 network.

25 3. Notwithstanding section 12C.7, subsection 2, earnings  
26 or interest on moneys deposited in the fund shall be credited  
27 to the fund. Moneys in the fund at the end of each fiscal year  
28 shall not revert to another fund but shall remain in the fund  
29 for expenditure in subsequent fiscal years.

30 4. The moneys in the fund shall be subject to financial and  
31 compliance audits by the auditor of state.

32 Sec. 13. NEW SECTION. 135.156D Technical infrastructure.

33 1. The Iowa health information network shall provide a  
34 mechanism to facilitate and support the secure electronic  
35 exchange of health information between participants.

1 2. The Iowa health information network shall not function as  
2 a central repository of all health information.

3 3. The Iowa health information network shall provide a  
4 mechanism for participants without an electronic health records  
5 system to access health information from the Iowa health  
6 information network.

7 Sec. 14. NEW SECTION. 135.156E **Legal and policy.**

8 1. Upon approval from the board, the department shall  
9 implement appropriate security standards, policies, and  
10 procedures to protect the transmission and receipt of  
11 protected health information exchanged through the Iowa health  
12 information network, which shall, at a minimum, comply with the  
13 Health Insurance Portability and Accountability Act security  
14 rule pursuant to 45 C.F.R. pt. 164, subpt. C, and shall reflect  
15 all of the following:

16 a. Include authorization controls, including the  
17 responsibility to authorize, maintain, and terminate a  
18 participant's use of the Iowa health information network.

19 b. Require authentication controls to verify the identify  
20 and role of the participant using the Iowa health information  
21 network.

22 c. Include role-based access controls to restrict  
23 functionality and information available through the Iowa health  
24 information network.

25 d. Include a secure and traceable electronic audit system  
26 to document and monitor the sender and the recipient of health  
27 information exchanged through the Iowa health information  
28 network.

29 e. Require standard participation agreements which  
30 define the minimum privacy and security obligations of all  
31 participants using the Iowa health information network and  
32 services available through the Iowa health information network.

33 f. Include controls over access to and the collection,  
34 organization, and maintenance of records and data for  
35 purposes of research or population health that protect the

1 confidentiality of consumers who are the subject of the health  
2 information.

3 2. A patient shall have the opportunity to decline exchange  
4 of the patient's health information through the Iowa health  
5 information network. A patient shall not be denied care or  
6 treatment for declining to exchange the patient's health  
7 information, in whole or in part, through the Iowa health  
8 information network. The board shall provide by rule the means  
9 and process by which patients may decline participation. The  
10 means and process utilized under the rules shall minimize the  
11 burden on patients and health care professionals.

12 3. Unless otherwise authorized by law or rule, a patient's  
13 decision to decline participation means that none of the  
14 patient's health information shall be accessible through the  
15 record locator service function of the Iowa health information  
16 network. A patient's decision to decline having health  
17 information shared through the record locator service function  
18 shall not limit a health care professional with whom the  
19 patient has or is considering a treatment relationship from  
20 sharing health information concerning the patient through  
21 the secure messaging function of the Iowa health information  
22 network.

23 4. A patient who declines participation in the Iowa health  
24 information network may later decide to have health information  
25 shared through the Iowa health information network. A patient  
26 who is participating in the Iowa health information network may  
27 later decline participation in the network.

28 5. A participant shall not release or use protected health  
29 information exchanged through the Iowa health information  
30 network for purposes unrelated to prevention, treatment,  
31 payment, or health care operations unless otherwise authorized  
32 or required by state or federal law. Participants shall  
33 limit the use and disclosure of protected health information  
34 for payment or health care operations to the minimum amount  
35 required to accomplish the intended purpose of the use or

1 request, in compliance with the Health Insurance Portability  
2 and Accountability Act and other applicable state or federal  
3 law. Use or distribution of the information for a marketing  
4 purpose, as defined by the Health Insurance Portability and  
5 Accountability Act, is strictly prohibited.

6 6. The department and all persons using the Iowa health  
7 information network are individually responsible for following  
8 breach notification policies as provided by the Health  
9 Insurance Portability and Accountability Act.

10 7. A participant shall not be compelled by subpoena, court  
11 order, or other process of law to access health information  
12 through the Iowa health information network in order to gather  
13 records or information not created by the participant.

14 8. All participants exchanging health information and data  
15 through the Iowa health information network shall grant to  
16 other participants of the network a nonexclusive license to  
17 retrieve and use that information in accordance with applicable  
18 state and federal laws, and the policies, standards, and rules  
19 established by the board.

20 9. The board shall establish by rule the procedures for a  
21 patient who is the subject of health information to do all of  
22 the following:

23 a. Receive notice of a violation of the confidentiality  
24 provisions required under this division.

25 b. Upon request to the department, view an audit report  
26 created under this division for the purpose of monitoring  
27 access to the patient's health care information.

28 10. A health care professional who relies reasonably and  
29 in good faith upon any health information provided through  
30 the Iowa health information network in treatment of a patient  
31 who is the subject of the health information shall be immune  
32 from criminal or civil liability arising from any damages  
33 caused by such reasonable, good-faith reliance. Such immunity  
34 shall not apply to acts or omissions constituting negligence,  
35 recklessness, or intentional misconduct.

1 11. A participant that has disclosed health information  
2 through the Iowa health information network in compliance with  
3 applicable law and the standards, requirements, policies,  
4 procedures, and agreements of the network shall not be subject  
5 to criminal or civil liability for the use or disclosure of the  
6 health information by another participant.

7 12. Notwithstanding chapter 22, the following records shall  
8 be kept confidential, unless otherwise ordered by a court or  
9 consented to by the patient or by a person duly authorized to  
10 release such information:

11 a. The protected health information contained in, stored in,  
12 submitted to, transferred or exchanged by, or released from the  
13 Iowa health information network.

14 b. Any protected health information in the possession of  
15 the department due to its administration of the Iowa health  
16 information network.

17 13. Unless otherwise provided in this division, when using  
18 the Iowa health information network for the purpose of patient  
19 treatment, a health care professional is exempt from any other  
20 state law that is more restrictive than the Health Insurance  
21 Portability and Accountability Act that would otherwise prevent  
22 or hinder the exchange of patient information by the patient's  
23 health care professionals.

24 Sec. 15. NEW SECTION. 135.156F **Governance review.**

25 1. The governance structure as provided in this division  
26 consisting of the department acting on behalf of the board  
27 subject to executive committee review and board approval shall  
28 continue during the term of the state health information  
29 exchange cooperative agreement between the department and the  
30 office of the national coordinator for health information  
31 technology to address the development of standards, policies,  
32 and procedures; dissemination of interoperability standards;  
33 the installation, testing, and operation of the Iowa health  
34 information network infrastructure; and the evolution of Iowa  
35 health information network services to improve patient care for

1 the population.

2 2. During the final year of the term of the cooperative  
3 agreement, the executive committee and the department shall  
4 review the governance structure, operations of the Iowa  
5 health information network, and the business and financial  
6 sustainability plan and make recommendations to the board  
7 regarding the future governance of the Iowa health information  
8 network.

9 Sec. 16. ADOPTION OF RULES. The state board of health shall  
10 adopt rules within twelve months of the effective date of this  
11 Act, pursuant to the directive in section 135.156E, as enacted  
12 in this Act, to provide the means and process by which patients  
13 may decline participation in the Iowa health information  
14 network.

15 Sec. 17. EFFECTIVE UPON ENACTMENT. This Act, being deemed  
16 of immediate importance, takes effect upon enactment.

17 EXPLANATION

18 This bill provides for the creation of a statewide Iowa  
19 health information network (network). The bill provides  
20 definitions used in the bill. The bill provides findings and  
21 intent for the network, describing the importance of health  
22 information technology in transforming the delivery of health  
23 and medical care in the state and across the nation and in  
24 improving health care quality and the overall health of the  
25 population, increasing efficiencies in administrative health  
26 care, reducing unnecessary health care costs, and preventing  
27 medical errors. The network is to provide for the secure  
28 electronic sharing of health information. The bill provides  
29 that it is the intent of the general assembly to establish  
30 a statewide Iowa health information network, which is not  
31 to constitute a health benefit network or health insurance  
32 network; and is not to preclude the formation and operation  
33 of regional, population-specific, or local health information  
34 networks or their participation in the statewide network.

35 The bill provides that the state board of health (board),

1 with the support of the department of public health and the  
2 advice of the existing electronic health information executive  
3 committee and advisory council, is to establish and annually  
4 review and update a business and financial sustainability  
5 plan for the network. The plan shall include fees to be paid  
6 by participants who access and use the network. The fee  
7 schedule is to be structured using fair share and value-based  
8 principles. The department is directed to update and submit  
9 a financial model to the executive committee and the board  
10 annually.

11 The bill specifies the duties of the department in the  
12 day-to-day operations of the Iowa health information network.

13 The bill provides for the creation of a separate Iowa  
14 health information network fund within the state treasury  
15 under the control of the board. All revenues, donations,  
16 gifts, interest, participant fees, and other moneys received or  
17 generated relative to the network are to be deposited in the  
18 fund. Moneys in the fund are appropriated to and are only to  
19 be expended by the department on activities and operations of  
20 the Iowa health information network, subject to board approval.  
21 Moneys in the fund at the end of each fiscal year remain in the  
22 fund. The fund is subject to financial and compliance audits  
23 by the auditor of state.

24 The bill provides for the technical infrastructure of  
25 the network. The network is to provide a mechanism to  
26 facilitate and support the secure exchange of electronic health  
27 information. The network is not to function as a central  
28 repository of all health information, and is to provide a means  
29 for participants without an electronic health record system to  
30 access health information through the network.

31 The bill includes provisions relating to the legal and  
32 policy aspects of the network. The bill authorizes the  
33 department, with approval from the board, to develop security  
34 standards, policies, and procedures to protect the transmission  
35 and receipt of individually identifiable health information

1 shared through the network. These include: authorization  
2 and authentication controls, role-based access, a secure and  
3 traceable electronic audit system, use of participant and  
4 data-sharing agreements, and controls over access, collection,  
5 and maintenance of health information. These provisions  
6 specify a patient's choice of participation in the Iowa  
7 health information network, and the requirements for sharing  
8 information in accordance with all other state and federal  
9 laws, including the federal Health Insurance Portability and  
10 Accountability Act.

11 The bill provides that the governance structure as provided  
12 in the bill consisting of the department acting on behalf  
13 of the board, subject to executive committee review and  
14 board approval, is to continue during the term of the state  
15 health information exchange cooperative agreement between  
16 the department and the office of the national coordinator  
17 for health information technology to address the development  
18 of standards, policies, and procedures; dissemination of  
19 interoperability standards; the installation, testing, and  
20 operation of the network infrastructure; and the evolution of  
21 health information network services to improve patient care  
22 for the population. During the final year of the term of the  
23 cooperative agreement (March 2014), the executive committee and  
24 the department are directed to review the governance structure,  
25 operations of the network, and the business and financial  
26 sustainability plan, and make recommendations to the board  
27 regarding the future governance of the network.

28 The bill directs the state board of health to adopt rules  
29 within 12 months of the effective date of the bill to provide a  
30 means and process by which patients may decline participation  
31 in the Iowa health information network.

32 The bill takes effect upon enactment.