

Senator Peter C. Knudson proposes the following substitute bill:

**STANDARDS FOR ELECTRONIC EXCHANGE OF
CLINICAL HEALTH INFORMATION**

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ronda Rudd Menlove

Senate Sponsor: Peter C. Knudson

LONG TITLE

General Description:

This bill adds to the duties of the Department of Health.

Highlighted Provisions:

This bill:

▶ authorizes the Department of Health to adopt standards for the electronic exchange of clinical health information;

▶ defines terms;

▶ authorizes the department to require individuals who elect to participate in an electronic exchange of clinical health information to use the standards adopted by the department;

▶ requires the department to report to the Legislature's Health and Human Services Interim Committee concerning the adoption of the standards for the secure electronic exchange of clinical health information; and

▶ coordinates rulemaking authority between the Department of Health and the Insurance Department.

Monies Appropriated in this Bill:

None



26 **Other Special Clauses:**

27 None

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **31A-22-614.5**, as enacted by Laws of Utah 1993, Chapter 255

31 ENACTS:

32 **26-1-37**, Utah Code Annotated 1953



34 *Be it enacted by the Legislature of the state of Utah:*

35 Section 1. Section **26-1-37** is enacted to read:

36 **26-1-37. Duty to establish standards for the exchange of electronic health**
37 **information exchange.**

38 (1) For purposes of this section:

39 (a) "Affiliate" means an organization that directly or indirectly through one or more
40 intermediaries controls, is controlled by, or is under common control with another
41 organization.

42 (b) "Clinical health information" shall be defined by the department by administrative
43 rule adopted in accordance with Subsection (2).

44 (c) "Electronic exchange":

45 (i) includes:

46 (A) the electronic transmission of clinical health data via Internet or extranet; and

47 (B) physically moving clinical health information from one location to another using
48 magnetic tape, disk, or compact disc media; and

49 (ii) does not include exchange of information by telephone or fax.

50 (d) "Health care provider" means a licensing classification that:

51 (i) is either:

52 (A) licensed under Title 58, Occupations and Professions, to provide health care; or

53 (B) licensed under Chapter 21, Health Care Facility Licensing and Inspection Act.

54 (e) "Health care system" shall include:

55 (i) affiliated health care providers;

56 (ii) affiliated third party payers; and

57 (iii) other arrangement between organizations or providers as described by the
58 department by administrative rule.

59 (f) "Third party payer" means:

60 (i) all insurers offering health insurance who are subject to Section 31A-22-614.5; and

61 (ii) the state Medicaid program.

62 (2) (a) In addition to the duties listed in Section 26-1-30, the department shall, in
63 accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act:

64 (i) define:

65 (A) "clinical health information" subject to this section; and

66 (B) health system arrangements between providers or organizations as described in
67 Subsection (1)(d)(iii); and

68 (ii) adopt standards for the electronic exchange of clinical health information between
69 health care providers and third party payers that are in compliance with 45 CFR Parts 160, 162,
70 and 164, Health Insurance Reform: Security Standards.

71 (b) The department shall coordinate its rule making authority under the provisions of
72 this section with the rule making authority of the Department of Insurance under Section
73 31A-22-614.5. The department shall establish procedures for developing the rules adopted
74 under this section, which ensure that the Department of Insurance is given the opportunity to
75 comment on proposed rules.

76 (3) (a) Except as provided in Subsection (3)(b), a health care provider or third party
77 payer in Utah is required to use the standards adopted by the department under the provisions
78 of Subsection (2) if the health care provider or third party payer elects to engage in an
79 electronic exchange of clinical health information with another health care provider, third party
80 payer, or health care recipient.

81 (b) A health care provider or third party payer is not required to use the standards
82 adopted by the department under the provisions of Subsection (2) if the health care provider or
83 third party payer engage in the secure electronic exchange of clinical health information within
84 a particular health care system.

85 (4) Nothing in this section shall limit the number of networks eligible to engage in the
86 electronic data interchange of clinical health information using the standards adopted by the
87 department under Subsection (2)(a)(ii).

88 (5) The department shall report on the use of the standards for the electronic exchange
89 of clinical health information to the legislative Health and Human Services Interim Committee
90 no later than October 15, 2008 and no later than every October 15th thereafter. The report shall
91 include publicly available information concerning the costs and savings for the department,
92 third party payers, and health care providers associated with the standards for the secure
93 electronic exchange of clinical health records.

94 Section 2. Section **31A-22-614.5** is amended to read:

95 **31A-22-614.5. Uniform claims processing.**

96 (1) Beginning July 1, 1993, all insurers offering health insurance shall use a uniform
97 claim form and uniform billing and claim codes.

98 (2) The uniform claim forms and billing codes shall be adopted and approved by the
99 commissioner in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.
100 The commissioner shall consult with the director of the Division of Health Care Financing, the
101 National Uniform Claim Form Task Force, and the National Uniform Billing Committee when
102 adopting the uniform claims and billing codes.

103 (3) (a) (i) Beginning July 1, 1995, all insurers shall offer compatible systems of
104 electronic billing approved by the commissioner in accordance with Title 63, Chapter 46a,
105 Utah Administrative Rulemaking Act.

106 (ii) The systems approved by the commissioner may include monitoring and
107 disseminating information concerning eligibility and coverage of individuals.

108 (iii) The commissioner shall coordinate the administrative rules adopted under the
109 provisions of this section with the administrative rules adopted by the Department of Health for
110 the implementation of the standards for the secure electronic exchange of clinical health
111 information under Section 26-1-37. The department shall establish procedures for developing
112 the rules adopted under this section, which ensure that the Department of Health is given the
113 opportunity to comment on proposed rules.

114 (b) The commissioner shall regulate any fees charged by insurers to the providers for:

115 (i) uniform claim forms [~~or~~];

116 (ii) electronic billing[~~;~~]; ~~or~~

117 (iii) the secure electronic exchange of clinical health information permitted by Section
118 26-1-37.