To: Senate Committee on Public Health and Welfare

From: Richard Ranzau, Sedgwick County Commissioner

Date: March 13, 2013

Re: **SB210** 

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Chairwoman Pilcher-Cook and committee members thank you for the opportunity to provide testimony in **OPPOSITION to SB210**.

This bill is problematic in many ways and I encourage you to oppose it. The current statute already has problems and this bill will only make matters worse.

Current issues include that fact that citizens must "opt out" if they don't want to participate. They should have to "opt in" if they want to participate. Also, if someone "opts out" their data is not deleted; access to it is just restricted. The data is being retained for future "data mining" purposes. When did anyone give authorization to use their health information for data mining?

Now, this bill takes the management of health information exchanges out of the private sector and turns it over to the government. This is a terrible idea and it needs to be stopped. This plays into the hands of those who want health care to be controlled by the federal government and will have many negative unintended consequences if you approve this bill. I have included a copy of the bill with parts highlighted that you should be concerned about. Also, here are several questions/concerns that should be addressed:

- 1. Why can't the management of digital health information exchanges remain in the private sector?
- 2. The Wichita Eagle has reported that health information exchanges have failed in several other states. Has anyone investigated to find out why?
- 3. Page 3 lines 9-10 lets the federal government define what is protected health information (via HIPPA). This is a bad idea. We should define it at the state level.
- 4. Section 3 seeks to "harmonize state law with" federal law. Is this really in the best interests of patients who want their privacy protected?
- 5. Page 4 lines 12-14 are very troubling and represent one of the fallacies about this whole issue in that it really does not protect the privacy of health records. Are there any provisions that would prevent sharing of our medical records with federal agencies and other states without patient permission?
- 6. Page 5 lines 11-16 are just as troubling. It allows protected health information to be used for "any public health purpose" without getting patient permission. Does that mean the federal government can get access for public health purposes as well?
- 7. What is the definition of "any public health purpose"?

- 8. Page 6 line 34 also allows info to be shared with the KDHE for "public health purposes". Why? Surely KDHE can do their job without access to our protected health information. They have been living without it this long, why do they need it now?
- 9. If this is really about patients and the ability "to facilitate the provision of health care to the individual" as stated on page 7 lines 12-13 then shouldn't individuals have absolute control over who gets access and who doesn't? And why are there provisions to allow sharing for "public health purposes". That doesn't help anyone as an individual.
- 10. Section 11. No health information organization should be eligible for financial support from the state regardless of whether or not it is approved.
- 11. Section 12 gives immunity from civil or criminal liability.
- 12. Are there criminal penalties if anyone violates the statute?
- 13. The advisory council only has two members representing consumers and they are appointed by the Secretary of KDHE.
- 14. Do we really need another advisory council?
- 15. Many doctors ask patients if they have guns in their homes. Are there any provisions that would prevent the sharing of this information with other governmental entities to include the federal government? Could this info be shared for "public health purposes"?

As you can see, there are many issues and concerns with this legislation that are very troubling. It appears that this is less about the ability "to facilitate the provision of health care to the individual" and more about the collection of personal health data by government agencies. It will ultimately lead to more control and intrusion into our lives by the government.

Please OPPOSE SB210.

Session of 2013

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## SENATE BILL No. 210

By Committee on Ways and Means

2-18

1 AN ACT concerning health information technology; amending K.S.A. 2 2012 Supp. 65-6821, 65-6822, 65-6823, 65-6824, 65-6825, 65-6828, 3 65-6829, 65-6830, 65-6831, 65-6832, 65-6833 and 65-6834 and 4 repealing the existing sections; also repealing K.S.A. 2012 Supp. 65-5 6826 and 65-6827. 6 7 Be it enacted by the Legislature of the State of Kansas: Section 1. K.S.A. 2012 Supp. 65-6821 is hereby amended to read as 9 follows: 65-6821. (a)-K.S.A. 2012 Supp. 65-6821 through 65-6834 and 10 section 13, and amendments thereto, shall be known and may be cited as 11 the Kansas health information technology and exchange act. 12 (b) This section shall take effect on and after July 1, 2011. 13 Sec. 2. K.S.A. 2012 Supp. 65-6822 is hereby amended to read as 14 follows: 65-6822. As used in the Kansas health information technology 15 and exchange act: (a) "Act" means the Kansas health information technology-and-16 17 exchange act. 18 "Approved-HIO health information organization" means a health 19 information organization operating in the state which has been approved by the corporation under a valid certificate of authority issued by the 20 21 22 (c) "Corporation" means the Kansas health information exchange, inc., created by executive order 10-06. "Authorization" means a document 23 24 that permits a covered entity to use or disclose protected health 25 information for purposes other than to carry out treatment, payment or 26 health care operations, and that complies with the requirements of 45 27 C.F.R. § 164.508. 28 (d) "Covered entity" means a health care provider, a health care-29 component of a hybrid entity, a health plan or a health care clearinghouse

33 department of health and environment.
34 (f) "Disclosure" means disclosure as that term is defined by the
35 HIPAA privacy rule.

a covered entity as the term is defined in 45 C.F.R. § 160.301.

(g) "DPOA-HC" means the person to whom a durable power of-

(e) "Designated record set" means designated record set as that term

is defined by the HIPAA privacy rule "Department" means the Kansas

 attorney for health care decisions has been granted by an individual in accordance with K.S.A. 58-625 et seq., and amendments thereto.

- (h) "Electronic protected health information" means electronic health information as that term is defined by the HIPAA privacy rule.
- (i)—"Health care" means health care as that term is defined by the HIPAA privacy rule.
- (j) "Health care clearinghouse" means a health care clearinghouse, as that term is defined by the HIPAA privacy rule, doing business within the state.
- 10 (k) (h) "Health care provider" means a health care provider, as that 11 term is defined by the HIPAA privacy rule, that furnishes health care to individuals in the state.
  - (1)(i) "Health information" means health information as that term is defined by the HIPAA privacy rule.
  - (m) (j) "Health information organization" means any entity operating in the state which:
  - (1) Maintains technical infrastructure for the electronic movement of health information among covered entities; and
  - (2) promulgates and enforces policies governing participation in such sharing of health information-exchange.
  - (n) (k) "Health information technology" means an information processing application using computer hardware and software for the storage, retrieval, use and disclosure of health information for communication, decision-making, quality, safety and efficiency of health care. "Health information technology" includes, but is not limited to: (1) An electronic health record; (2) a personal health record; (3) the sharing of health information-exchange electronically; (4) electronic order entry; and (5) electronic decision support.
  - (o) "Health plan" means a health plan, as that term is defined by the HIPAA privacy rule, doing business within the state.
  - (p) (l) "HIPAA privacy rule" means the privacy rule of the administrative simplification subtitle of the health insurance portability and accountability act of 1996 (Pub. L. No. 104-191) contained in 45 C.F.R. part 160 and 45 C.F.R. part 164, subparts A and E.
  - (q) "Hybrid entity" means hybrid entity as that term is defined by the HIPAA privacy rule.
  - (r) (m) "Individual" means individual as that term is defined by the HIPAA privacy rule.
  - (s) (n) "Individually identifiable health information" means individually identifiable health information as that term is defined by the HIPAA privacy rule.
  - (t) "Interoperability" means the capacity of two or more information systems to exchange information or data in an accurate, effective, secure

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 and consistent manner.

- (u) (o) "Participation agreement" means a written agreement between a covered entity and an approved—HIO health information organization concerning the covered entity's participation in the approved—HIO health information organization on terms consistent with K.S.A. 2012 Supp. 65-6832, and amendments thereto.
- (v) (p) "Personal representative" means the person who has the legal authority to act on behalf of an individual.
- (w) (q) "Protected health information" means protected health information as that term is defined by the HIPAA privacy rule.
- 11 (x) "Public health authority" means public health authority as that term is defined by the HIPAA privacy rule.
  - (y) (r) "Secretary" means the secretary of health and environment.
  - (z) "Standard authorization form" means the standard authorization form developed and promulgated by the secretary pursuant to K.S.A. 2012 Supp. 65-6826, and amendments thereto.
    - (aa) (s) "State" means the state of Kansas.
  - (bb) (t) "Use" means, with respect to individually identifiable health information, use as the term is defined by the HIPAA privacy rule.

This section shall take effect on and after July 1, 2011.

- Sec. 3. K.S.A. 2012 Supp. 65-6823 is hereby amended to read as follows: 65-6823. (a) It is the purpose of this act to harmonize state law with the HIPAA privacy rule with respect to individual access to protected health information, proper safeguarding of protected health information, and the use and disclosure of protected health information for purposes of facilitating the development and use of health information technology and health information exchange the sharing of health information electronically.
  - (b) This section shall take effect on and after July 1, 2011.
- Sec. 4. K.S.A. 2012 Supp. 65-6824 is hereby amended to read as follows: 65-6824. (a) A covered entity shall provide an individual or such individual's personal representative with access to the individual's protected health information maintained by the, collected, used or disseminated by or for the covered entity in a designated record set in compliance with 45 C.F.R. § 164.524.
- (b) A covered entity shall implement and maintain appropriate administrative, technical and physical safeguards to protect the privacy of protected health information in a manner consistent with 45 C.F.R. § 164.530(c).
  - (e) This section shall take effect on and after July 1, 2011.
- Sec. 5. K.S.A. 2012 Supp. 65-6825 is hereby amended to read as follows: 65-6825. (a) No covered entity shall use or disclose protected health information except as follows:

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(1) Use and disclosure of protected health information In a manner consistent with an authorization that satisfies the requirements of 45 C.F.R. § 164.508;

- (2) use and disclosure of protected health information without anauthorization in a manner as permitted under 45 C.F.R. §§ 164.502, 164.506, 164.508, 164.510 and 164.512; or
- (3) use and disclosure of protected health information in a manner as required under 45 C.F.R. § 164.502.
  - (b) Notwithstanding the provisions of subsection (a), no covered entity shall disclose an individual's protected health information to a health information organization for any purpose without an authorization that satisfies the requirements of 45 C.F.R. § 164.508, unless A covered entity may disclose an individual's protected health information to a health information organization without an authorization if such covered entity:
  - (1) Is a party to a current participation agreement with an approved HIO health information organization at the time the disclosure is made;
  - (2) discloses the individual's protected health information to that approved HHO health information organization in a manner consistent with the approved HHO's established procedures of the approved health information organization; and
- (3) prior to the disclosure, has furnished furnishes to the individual, or such individual's personal representative, whose information is to be disclosed to the approved HIO health information organization, the notice required under K.S.A. 2012 Supp. 65-6832, and amendments thereto; and
- (4) restricts disclosure to the approved HIO of any protected health information concerning the individual that is the subject of a written request delivered to the covered entity by the individual, or such individual's personal representative, for reasonable restrictions on disclosure of all or any specified categories of the individual's protected health information, as defined pursuant to K.S.A. 2012 Supp. 65-6832, and amendments thereto, following the covered entity's receipt of such written request.
- (c) Notwithstanding the provisions of subsections (a) and (b), A covered entity that uses or discloses protected health information in compliance with this section shall be immune from any civil or criminal liability or any adverse administrative action arising out of or relating to such use or disclosure.
  - (d) This section shall take effect on and after July 1, 2011.
- Sec. 6. K.S.A. 2012 Supp. 65-6828 is hereby amended to read as follows: 65-6828. To the extent any provision of state law regarding the confidentiality, privacy, security or privileged status of any protected health information conflicts with, is contrary to, or more stringent than the

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provisions of this act, the provisions of this act shall control, except that: (a) Nothing in this act shall limit or restrict the effect and application of the peer review statute, K.S.A. 65-4915, and amendments thereto; the risk management statute, K.S.A. 65-4921 through 65-4930, and amendments thereto; or any statutory health care provider-patient evidentiary privilege applicable to a judicial or administrative proceeding; and

(b) nothing in this act shall limit or restrict the ability of any state agency to require the disclosure of protected health information by any person or entity pursuant to law.

Sec. 7. K.S.A. 2012 Supp. 65-6829 is hereby amended to read as follows: 65-6829. (a) A-health care provider covered entity may disclose protected health information without authorization to any state agency for any public health purpose that is required by law. Nothing in this act shall be construed to limit the use, transfer or disclosure of protected health information as required or permitted by any other provision of law for public health purposes.

(b) This section shall take effect on and after July 1, 2011.

- Sec. 8. K.S.A. 2012 Supp. 65-6830 is hereby amended to read as follows: 65-6830. (a) The corporation department shall establish and revise, as appropriate, standards for the approval and operation of statewide and regional health information organizations operating in the state as approved-HIOs health information organizations including, but not limited to, the following:
- (a) Satisfaction of certification standards for health information exchanges promulgated by the federal government;
- (1) Adherence to nationally recognized standards for interoperability, that is, the capacity of two or more information systems to share information or data in an accurate, effective, secure and consistent manner;
- (e)(2) adoption and adherence to rules promulgated by the corporation department regarding access to and use and disclosure of protected health information maintained by or on an approved-HIO health information organization;
- 34 (d)(3) demonstration of adequate financial resources to sustain continued operations in compliance with the standards;
  - <del>(e)</del>(4) participation in outreach activities for individuals and covered entities;
  - <del>(1)</del>(5) conduct of operations in a transparent manner to promote consumer confidence:
    - (g)(6) implementation of security breach notification procedures; and
  - (h)(7) development of procedures for entering into and enforcing the terms of participation agreements with covered entities which satisfy the requirements established by the corporation department pursuant to K.S.A.

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 2012 Supp. 65-6832, and amendments thereto.

(b) The department shall ensure that approved health information organizations operate within the state in a manner consistent with the protection of the security and privacy of health information of the citizens of Kansas.

This section shall take effect on and after July 1, 2011.

- Sec. 9. K.S.A. 2012 Supp. 65-6831 is hereby amended to read as follows: 65-6831. (a) The—corporation department shall establish and implement:
- (1)(a) A process by which a health information-exchange organization may apply for and receive-approval a certificate of authority issued by the corporation department by demonstrating compliance with the standards promulgated by the corporation department pursuant to K.S.A. 2012 Supp. 65-6830, and amendments thereto;
- (2)(b) a process by which an approved—HHO health information organization shall be re-approved on appropriate intervals by demonstrating continued compliance with the standards promulgated by the corporation department pursuant to K.S.A. 2012 Supp. 65-6830, and amendments thereto; and
- (3)(c) a process for the investigation of reported concerns and complaints regarding an approved—HIO health information organization and imposition of appropriate remedial and proactive measures to address any identified deficiencies.
  - (b) This section shall take effect on and after July 1, 2011.
- Sec. 10. K.S.A. 2012 Supp. 65-6832 is hereby amended to read as follows: 65-6832. (a) The corporation department shall establish requirements for participation agreements to to be used by approved health information organizations in participation agreements with covered entities and shall include the following:
- (1)(a) Specification of procedures—for the covered entity to disclose by which an individual's protected health information to the approved HIO will be disclosed by covered entities, will be collected by approved health information organizations and will be shared with other participating covered entities and with the department as required by law for public health purposes;
- (2)(b) specification of procedures for the covered entity to access an individual's protected health information from the approved HIO by which an individual may elect that protected health information be restricted from disclosure by approved health information organizations to covered entities:
- 41 (3)(c) specifications of purposes for, and procedures by which a 42 covered entity can access an individual's protected health information 43 from the approved health information organization, including access to

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restricted information by a covered entity in an emergency situation when necessary to properly treat the individual;

- (d) specification of the written notice to be provided by the covered entity to any individual, or such individual's personal representative, prior to the covered entity's disclosure of the individual's protected health-information to the approved HIO that explains how and what protected health information will be shared with the approved health information organization. Such written notice, which may be incorporated into the covered entity's notice of privacy practices required under the HIPAA privacy rule, shall include the following that:
- (A)(1) The individual's protected health information will be disclosed to the approved  $\overline{HHO}$  health information organization to facilitate the provision of health care to the individual;
- (B)(2) the approved—HIO health information organization maintains appropriate safeguards to protect the privacy and security of protected health information;
- (C)(3) only authorized individuals may access protected health information from the approved-HIO health information organization;
- (D)(4) the individual, or such individual's personal representative, has the right to request in writing that the covered entity: (i) Not disclose any of the individual's protected health information to the approved HIO; or (ii) not disclose specified eategories of the individual's protected health information to the approved HIO the individual's protected health information not be disclosed by the health information organization;
- (E)(5) such restrictions may result in a health care provider not having access to information necessary to provide appropriate care for the individual;
- (F) the covered entity is required to honor a written request delivered to the covered entity by an individual, or such individual's representative, not to disclose any of the individual's protected health information to an approved HIO; and
- (G) the covered entity is required to honor a written request delivered to the covered entity by an individual, or such individual's representative, for reasonable restrictions on the disclosure of specified categories of the individual's protected health information to an approved HIO the health information organization is required to honor a written request not to disclose an individual's protected health information, except that disclosure is permitted (A) in an emergency situation when necessary to properly treat the individual, or (B) when necessary to satisfy a covered entity's legal obligation to report certain information to a government official; and
- (6) the inability to access restricted information by a covered entity may result in a health care provider not having access to information

 necessary to provide appropriate care for the individual;

- (4)(e) specification of documentation requirements to demonstrate delivery of such notice to an individual, or such individual's personal representative, by or on behalf of the covered entity prior to the covered entity's disclosure of the individual's protected health information to the approved HIO;
- (5) standards for determining the reasonableness of an individual's written request, or the written request of such individual's personal representative; not to disclose specified categories of the individual's protected health information to the approved IHO based on the covered entity's technological capabilities; and
- (6) specification of the purposes for which a covered entity may access protected health information through the approved HIO.
  - (b) This section shall take effect on and after July 1, 2011.
- Sec. 11. K.S.A. 2012 Supp. 65-6833 is hereby amended to read as follows: 65-6833. (a) Any health information organization which is not an approved-HHO health information organization shall not be eligible for any financial support from the state, or assistance or support from the state in securing any other source of funding.
  - (b) This section shall take effect on and after July 1, 2011.
- Sec. 12. K.S.A. 2012 Supp. 65-6834 is hereby amended to read as follows: 65-6834. (a) Notwithstanding any other provision of this act, No use or disclosure of protected health information maintained by or on an approved—HIO health information organization shall be made except pursuant to rules and regulations adopted by the corporation department consistent with this act. An approved—HIO health information organization that uses or discloses protected health information in compliance with such rules shall be immune from any civil or criminal liability or any adverse administrative action arising out of or relating to such use or disclosure.
- (b) This section shall take effect on and after July 1, 2011. Protected health information in the possession of an approved health information organization shall not be subject to discovery, subpoena or other means of legal compulsion for the release of such PHI to any person or entity. An approved health information organization shall not be compelled by a request for production, subpoena, court order or otherwise, to disclose protected health information relating to an individual.
- New Sec. 13. (a) There is hereby established an advisory council on health information technology. The advisory council on health information technology shall be advisory to the secretary of health and environment and shall be within the division of health of the department of health and environment.
- (b) The advisory council on health information technology shall be composed of 22 voting members, as follows:

- (1) The secretary of the Kansas department of health and environment, or such secretary's designee;
  - (2) the governor of the state of Kansas, or such governor's designee;
  - (3) four legislators selected as follows: The chairperson and ranking minority member or their designees of the committee on health and human services of the house of representatives, and the chairperson and ranking minority member or their designees from the committee on public health and welfare of the senate;
  - (4) two members appointed by the secretary who represent consumers;
  - (5) one member appointed by the secretary who represents employers;
    - (6) one member appointed by the secretary who represents payers;
  - (7) two members appointed by the secretary who represent local health departments from a list of three names submitted by the Kansas association of local health departments;
  - (8) three members appointed by the secretary who represent hospitals, from a list of three names for each position submitted by the Kansas hospital association. One of the hospital representatives appointed herein shall be involved in the administration of a critical access hospital;
- (9) three members appointed by the secretary from a list of three names for each position by the Kansas medical society. At least two of the members appointed herein shall be practicing physicians, and one of the physicians shall be a physician in a primary care specialty;
- (10) two members appointed by the secretary who represent pharmacists, from a list of three names submitted by the Kansas pharmacists association. At least one of the members appointed herein shall be a practicing pharmacist;
- (11) one member shall be a representative of the university of Kansas center for health information; and
- (12) one member shall be a representative of the Kansas foundation for medical care.
- (c) At the first meeting of the council, following the effective date of this act, terms of its members, except the secretary and governor or their designees, shall be determined by lot with five members serving for one year, five members serving for two years, five members serving for three years, and five members serving for four years. Following their initial term, members of the council shall be eligible for re-appointment and, if re-appointed, shall serve for terms of four years. Members shall only be eligible to serve two consecutive four-year terms. Whenever a vacancy occurs regarding a member of the council due to the resignation, death, removal or expiration of a term, a new member shall be appointed prior to the next meeting, according to the process and to the specific position on

 the council as provided in subsection (b). In the event of a vacancy during an unexpired term due to resignation, death or removal of a council member, the appointment shall be for the remainder of the unexpired portion of the term. Each member of the council shall hold office for the term of appointment and until a successor has been appointed. Any member of the council may be removed by the secretary for malfeasance or misfeasance in office, regularly failing to attend meetings, or for any cause which renders the member incapable of the discharge of the duties of director.

- (d) The council shall meet at least four times per year and at such times as the council deems appropriate or as called by the secretary.
- (e) Members of the council are entitled to compensation and expenses as provided in K.S.A. 75-3223, and amendments thereto. Members of the council attending council meetings or subcommittee meetings authorized by the council shall be paid mileage and all other applicable expenses, provided such expenses are consistent with policies established from time-to-time by the council.
- 18 Sec. 14. K.S.A. 2012 Supp. 65-6821, 65-6822, 65-6823, 65-6824, 65-19 6825, 65-6826, 65-6827, 65-6828, 65-6829, 65-6830, 65-6831, 65-6832, 65-6833 and 65-6834 are hereby repealed.
- Sec. 15. This act shall take effect and be in force from and after its publication in the statute book.