



To: Senate Public Health and Welfare Committee

From: Jerry Slaughter
Executive Director

Date : March 13, 2013

Subject: SB 210; the Kansas Health Information Technology Act

The Kansas Medical Society appreciates the opportunity to express our support for SB 210, the Kansas Health Information Technology Act. This legislation formalizes the transfer of governance and oversight responsibility for the state's electronic health information sharing infrastructure to the Kansas Department of Health and Environment. Currently, those responsibilities are overseen by a free-standing, not-for-profit agency, KHIE, Inc., which was created in 2010 by an executive order of Governor Parkinson.

KHIE was tasked with the duty of ensuring that a secure electronic network was created, operated and maintained in the state of Kansas, and that certain operational standards for the licensed Health Information Organizations (HIOs) were developed and implemented. Over the past two and a half years, KHIE has made very significant strides in the health information network development effort, and there are two privately operated HIOs currently licensed and operating in the state. Instead of operating the health information network as a government-sponsored entity, the state of Kansas, working with the health care provider community, chose to establish the information network as a privately-sponsored network made up of competitive health information organizations.

The development of the health information network could not have been possible without passage in 2011 of the comprehensive health information network enabling legislation (found at KSA 65-2821 through 2834) which harmonized, or made consistent, Kansas' diverse and oftentimes conflicting privacy and security statutes under the umbrella of the federal privacy rule, HIPAA, found at 45 CFR part 160, and part 164, subparts A and E. The bill before the Committee today amends several sections of that legislation enacted in 2011.

Over the past year or so, the KHIE Board has been discussing how best to reduce the costs of administering its oversight function of the two licensed HIOs in the state. Out of those discussions it became apparent that KDHE was ideally situated to assume the oversight duties, which for the most part going forward are expected to be purely regulatory in nature. KDHE has the personnel and operational infrastructure to carry out these duties, and it can do so in a way that is much less costly than KHIE could do it as a stand-alone entity. Transitioning KHIE's functions to KDHE will allow the entire health

information network enterprise to be more cost-efficient, and having KHIE as a part of KDHE will help coordinate and align the state's resources behind the health information network development effort.

The health information network, when it is fully operational statewide, will benefit patients through less duplication of services such as imaging and lab studies, fewer adverse drug events and medical errors, improved quality and care coordination, faster access at the point of care to necessary patient clinical information, improved efficiency in care transitions, and reduced administrative burdens for health care providers. All Kansans will benefit from having a secure electronic network through which health care providers can share patient clinical information, and this will be accomplished with little or no state taxpayer support.

We urge your favorable consideration of SB 210. Thank you.