# Legislative Analysis

Phone: (517) 373-8080
http://www.house.mi.gov/hfa

**HEALTH INFORMATION EXCHANGE**

Analysis available at
http://www.legislature.mi.gov

**House Bill 5283 as introduced**
**Sponsor: Rep. Julie M. Rogers**

**House Bill 5284 as introduced**
**Sponsor: Rep. Curt S. VanderWall**

**Committee: Health Policy**
**Complete to 5-22-24**

**SUMMARY:**

Together, House Bills 5283 and 5284 would require the Health Information Technology Commission in the Department of Health and Human Services (DHHS) to designate a health information exchange meeting specified criteria to operate a health care information system, and would earmark annual expenditures from the Insurance Provider Fund for administration, compliance, and operations of the health information exchange.

**House Bill 5283** would amend Part 25 (Health Information Technology) of the Public Health Code, which created the Health Information Technology Commission in DHHS to facilitate and promote the design, implementation, operation, and maintenance of an interoperable health care information system in Michigan. The bill would change the name of this system to the ***health data utility*** and would require the commission to designate a ***health information exchange*** to operate the health data utility for the state.

***Health data utility*** would mean a system that is operated by the health information exchange and that does all of the following:

- Facilitates the exchange of clinical and other health data.
- Creates a unified health record for health care patients.
- Allows for the exchange of information using multiple modalities, including query searches and push notifications.
- Increases connections between health care entities, including school-based health centers, social care services, and health facilities or agencies located in a correctional institution.

***Health information exchange*** would mean the nonprofit entity that operates an inclusive health information technology infrastructure that serves as a health data aggregator and is enabled to collect, normalize, and share disparate health data content from a diverse set of health data sources.

The commission would have to designate a health information exchange that meets all of the following requirements:

- Is capable of performing all of the following:
  - Routing relevant real-time data.
  - Providing longitudinal electronic health records.

    - Reporting population health data and public health data.
    - Delivering health analytics and metrics in the aggregate.
- Complies with all applicable federal and state laws and regulations for a standards-based health data exchange.
- Has a governing board with representatives that meet one or more of the following:
    - Have expertise in public health.
    - Are associated with a governmental agency, hospital, health plan, or pharmacy.
    - Are physicians, behavioral health practitioners, or other health care professionals.
- Maintains a high level of cybersecurity standards, which could be demonstrated by accreditation by a national health information security entity recognized by the commission as an accreditation that requires a high level of cybersecurity standards.
- Adheres to health information exchange industry standards for network performance.

The commission also would have to do all of the following, in addition to (or as modification of) its duties provided under the act:

- In meeting its current responsibility to identify critical technical, scientific, economic, and other critical issues affecting the public and private adoption of health information technology, include all of the following regarding the health information exchange:
    - Participation with the health information exchange.
    - Data sharing through the health information exchange.
    - Utilization of the health data utility.
- Monitor the health information exchange by doing all of the following:
    - Performing a quarterly review of key operational and performance metrics.
    - Reviewing privacy and consent policies as needed.
    - Approving secondary data use in compliance with the federal Health Insurance Portability and Accountability Act (HIPAA), including secondary data use for research.
- Instead of (as now) promoting more efficient communication among multiple health care providers, do so with regard to communication in the health care ecosystem, which would include community-based organizations in addition to such health care entities as hospitals, physicians, payers, employers, pharmacies, and laboratories.
- In meeting its current responsibility to identify strategies to improve the ability to monitor community health status, use reporting and analytics from electronic health data from the health data utility.
- Perform all other activities to implement its responsibilities under the act as directed by any state department. (This provision currently specifies DHHS and the Department of Management, Budget, and Technology.)

Finally, the bill would allow the Healthcare Information Technology and Infrastructure Development Fund, which is administered by the commission, to be used for the designated health information exchange to operate the health data utility.

MCL 333.2501, 333.2505, and 333.2511

**House Bill 5284** would amend the Insurance Provider Assessment Act to provide an earmark for administration and compliance, and the operations, of the health information exchange

designated under House Bill 5283. Currently, DHHS must expend money from the fund, upon appropriation, only for one or more of the following purposes:

- The amount necessary to continue to support the payment of actuarially sound capitation rates to Medicaid managed care organizations.
- Administrative and compliance costs in accordance with section 15.
- The balance after the above to be transferred to a separate restricted account in the fund and used only as appropriated by the legislature.

Under the bill, DHHS would have to expend the money, upon appropriation, only for one or more of the following purposes:

- The amount necessary to continue to support the payment of actuarially sound capitation rates to Medicaid managed care organizations.
- Administrative and compliance costs in accordance with section 15.
- Beginning in the 2023-24 state fiscal year, and each fiscal year thereafter, to appropriate up to 0.5% of the money received from assessments levied under the act in the 2023-24 state fiscal year to DHHS for administration and compliance of the health information exchange designated under House Bill 5283.
- Beginning in the 2024-25 state fiscal year, $10.0 million, and an additional 3% each state fiscal year thereafter, to be appropriated for the operations of the health information exchange designated under House Bill 5283.
- The balance after the above to be transferred to a separate restricted account in the fund and used only as appropriated by the legislature.

MCL 550.1763

**FISCAL IMPACT:**

House Bills 5283 and 5284 would increase GF/GP needed as the state share of Medicaid by $3.1 million in Fiscal Year 2023-24, $13.1 million in FY 2024-25, and $13.4 million in FY 2025-26. The earmark of 0.5% for administration and compliance of the health information exchange would repurpose $3.1 million of IPA revenue and $10.0 million for operations of the health information exchange would mean those funds would be repurposed from being used for the state share of Medicaid costs. For FY 2023-24, the federal Medicaid match rate is 64.94% and the state share of Medicaid is 35.06%. These bills would have no fiscal impact on local units of government.

Legislative Analyst: Rick Yuille
Fiscal Analyst: Kevin Koorstra