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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair  
2021 - 2022 Regular Session

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### SB 371 (Caballero) - Health information technology

**Version:** March 15, 2021

**Urgency:** No

**Hearing Date:** April 19, 2021

**Policy Vote:** HEALTH 11 - 0

**Mandate:** No

**Consultant:** Samantha Lui, Karen French

**Bill Summary:** Establishes the California Health Information Technology (HIT) Advisory Committee and the position of Deputy Secretary for HIT within the California Health and Human Services Agency (CHHS) to provide information and advice to the Secretary on HIT and create an annual report.

Requires a health information organization to be connected to the California Trusted Exchange Network and to a qualified national network to facilitate bidirectional exchange of patient data across networks.

Requires a health care provider, health system, health plan, or health insurer that engages in health information exchange to do so in accordance with specified standards.

Requires the Department of Health Care Services to apply for funding made available through the American Rescue Plan Act of 2021 or the Medicaid Information Technology Architecture program for specified purposes.

**Fiscal Impact:**

CHHS reports, "While we would anticipate costs related to the new position and responsibilities outlined in the bill, those costs are indeterminate at this time." Staff notes that the addition of the new Deputy Secretary position would result in salary and benefit costs ranging from \$195,000 to \$265,000 annually from the General Fund.(based upon three existing Deputy Secretary positions in the Agency and salary ranges in the CDHR 2/2/21 published list of exempt positions).

Covered California reports no fiscal impact associated with this bill. DHCS, DMHC and CDPH have not provided potential cost information at this time.

The bill also permits CHHS, if funds are available, upon appropriation by the Legislature, to utilize the California HIT and Exchange Fund for both of the following:

- a) Provide grants to small physician or dental practices, community health centers, critical access hospitals, and other safety net providers to help them implement or expand their use of HIT and connect to qualified health information networks; and,
- b) Contract with experienced organizations to provide direct data exchange technical assistance to safety net providers.

**Background:** In 2009, SB 337 (Alquist, Chapter 180, Statutes of 2009) was passed with the intent that California develop a statewide HIT infrastructure to improve California's health care system using funding provided through the HITECH Act as part of ARRA to encourage the adoption and meaningful use of HIT and exchange. As part of this action, the state recognized that the full benefit of HIT cannot be realized until EHR systems supporting the secure exchange of individual health records are in place and used by health care providers, payers, patients, and other individuals throughout the state, and across state boundaries. HIE necessarily includes the sharing of private health records and information of individuals. Establishing the security of individual privacy rights and confidentiality of personal health and medical records is of paramount importance to creating public confidence in any broad-based EHR system. Ensuring transparent accountability, governance, and oversight are critical components to maintaining the public's trust.

The Governor's 2021-22 budget summary includes the following: It is imperative that the state expand the use of clinical and administrative data to better understand the health and social needs of individual patients in order to achieve high-quality, efficient, safe, and timely service delivery while improving outcomes. These goals can be accomplished by building and supporting the infrastructure and information systems to facilitate secure and appropriate exchange of electronic health information among health care providers. Despite significant federal investment over the past ten years for adoption of EHR and creation of HIEs, most patients' medical information, including clinical histories, medications, and test results, is stored on paper or across hundreds of disparate EHR systems.

The goals of improved health outcomes and affordability cannot be achieved without unified patient health records and digital infrastructure to support a more integrated provision of health and human services. To further build on the promise of HIE, the Administration is interested in accelerating the utilization and integration of HIEs as part of a network that receives and integrates health data for all Californians. The building and operation of the network of exchanges will leverage existing investments in HIE and look for additional federal funding in alignment with federal interoperability rules. To do this the state must:

- a) Enable the right access to health information at the right time resulting in improved health and outcomes for all Californians;
- b) Identify and overcome the barriers to exchanging health information between public programs, as well as with California providers and consumers; and
- c) Engage consumers and their providers in managing medical, behavioral and social services through appropriate, streamlined access to electronic health information.

**Proposed Law:**

The Deputy Secretary for HIT would be required to establish and convene the California HIT Advisory Committee (advisory committee), whose members are to be appointed by the deputy secretary for three-year staggered terms,

- a) DHCS;
- b) Department of Managed Health Care;
- c) Department of Insurance;
- d) Department of Public Health (CDPH);
- e) California Health Benefit Exchange;
- f) Public Employees Retirement System;
- g) Health plans and insurers;
- h) Physicians, including those with small practices;
- i) Hospitals and clinics, long-term care facilities, or behavioral health or substance use disorder facilities;
- j) Consumers;
- k) Organized labor, including a member with expertise in the Employment Retirement Income Security Act of 1974;
- l) A member with privacy and security expertise;
- m) HIT professionals;
- n) Community health information organizations; and,
- o) Community-based organizations providing social health services.

The Deputy Secretary for HIT would serve as a single point of contact for internal and external stakeholders for HIT programs that interact with the state government and would coordinate with the federal Office of the National Coordinator (ONC) for HIT; and, the Federal Communications Commission regarding availability and implementation of broadband internet services for telehealth and health information exchange (HIE) in California.

**Related Legislation:**

AB 1131 (Wood) requires, by January 1, 2023, health plans, hospitals, medical groups, testing laboratories, and nursing facilities, to at a minimum, contribute, access, exchange, and make available data through the network of health information exchanges for every person, as a condition of participation in a state health program, including Medi-Cal, Covered California, and CalPERS. States legislative intent to enact legislation that would expand the use of clinical and administrative data and further build on the promise of HIE, including specified strategies for achieving these goals. AB 1131 is in the Assembly Appropriations Committee.

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