
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2023 - 2024 Regular Session

AB 1011 (Weber) - Social care: data privacy

Version: August 14, 2023

Urgency: No

Hearing Date: August 21, 2023

Policy Vote: JUD. 11 - 0

Mandate: No

Consultant: Matthew Fleming

Bill Summary: AB 1011 would prohibit an entity participating in a closed-loop referral system (CLRS) from selling social care information and prohibit using the information for purposes other than those for which it was collected, except as provided.

Fiscal Impact: One-time costs of approximately \$1.25 million to the Center for Data Insights and Innovation (CDII) within the Health and Human Services Agency (HHS) (General Fund). See Staff Comments for additional detail.

Background: Closed-loop referrals provide a means for healthcare professionals to send patient information to a community-based organization (CBO) to help address a patient's needs that are typically better served outside of the clinical setting. A CBO can provide an array of different support programs within the community, including services that address a patient's social needs or address underlying causes of poor health outcomes with the goal of positively impacting the patient's overall health outcomes. The CBO can then provide feedback on the outcome of that referral back to the referring individual/entity. CLRS allow for providers of services to specific populations to connect their clients to various services and goods within a network of fellow providers. As technology enhances this intercommunication between providers, concerns have arisen about the privacy of the sensitive information being exchanged.

The DxF is a statewide data sharing agreement that will accelerate and expand the exchange of health information among health care entities, government agencies, and social service programs beginning in 2024. To date, hundreds of experts and members of the public have worked to establish the DxF with the goal of every sharing information privately and securely among health and human services providers.

Proposed Law:

- Prohibits an participating entity in a CLRS from doing either of the following, except as specified by Federal Law:
 - Selling, renting, releasing, disclosing, disseminating, making available, transferring, or otherwise communicating orally, in writing, or by electronic or other means, social care information stored in or transmitted through a closed-loop referral system in exchange for monetary or other valuable consideration.
 - Using social care information stored in, or transmitted through, a closed-loop referral system for any purpose or purposes other than the purpose or purposes for which that social care information was collected or generated.

- Defines terms for purposes of the bill including “CLRS,” “participating entity,” and “social care information.”

Staff Comments: According to CDII, approximately \$1 million will be required to review and reconfigure the DxF to comply with AB 1011. CDII reports that it would need to re-establish rules for health, social services, and government entities on how to address the limitations on use of social services information. These rules would necessitate consideration of how information covered by this bill would be compartmentalized or flagged to ensure that the limitations on its use are complied with. This may require legal research, IT subject matter expertise, and policy work with stakeholders to understand the limitations on use of health and social services data within a closed loop system to determine whether this information can be legally shared and used in an efficient manner with all entities that have signed onto the HHS DxF Data Sharing Agreement. CDII's reports that an additional \$250,000 would be required to update the State Health Information Guide which health and social services entities use to understand the many laws that cover health and social services information and how to exchange this information legally and appropriately.

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