

# HOUSE BILL REPORT

## SHB 2573

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### As Passed Legislature

**Title:** An act relating to health information technology.

**Brief Description:** Adopting health information technology to improve quality of care.

**Sponsors:** By House Committee on Health Care (originally sponsored by Representatives Morrell, Wallace, Clibborn, Cody, Flannigan, Simpson, Green, Ormsby, Springer, Kilmer, Moeller, Kagi and Conway; by request of Governor Gregoire).

**Brief History:**

**Committee Activity:**

Health Care: 1/19/06, 1/27/06 [DPS].

**Floor Activity:**

Passed House: 2/8/06, 75-23.

Senate Amended.

Passed Senate: 3/3/06, 45-2.

House Concurred.

Passed House: 3/4/06, 83-12.

Passed Legislature.

### Brief Summary of Substitute Bill

- Requires the Health Care Authority (Authority) to promote and increase the adoption of health information technology systems by hospitals, integrated delivery systems, and providers.
- Directs the Authority to coordinate a strategy for the adoption of health information technology systems.

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Cody, Chair; Campbell, Vice Chair; Morrell, Vice Chair; Appleton, Clibborn, Green, Lantz, Moeller and Schual-Berke.

**Minority Report:** Do not pass. Signed by 6 members: Representatives Hinkle, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Bailey, Condotta and Skinner.

**Staff:** Chris Blake (786-7392).

**Background:**

The State Health Care Authority (Authority) is the state agency which administers state employee insurance benefits and the Basic Health Plan, which is the state subsidized health insurance program for low income persons. The Authority is also generally responsible for coordinating the study and implementation of state initiatives regarding health care cost containment. This includes using evidence-based medicine in its contracts in order to develop performance measures and financial incentives related to chronic disease and health information technology.

In 2005, the Authority was directed to establish the Washington Health Information Infrastructure Advisory Board (Board). The Authority is required to collaborate with the Board to develop a strategy for the adoption and use of electronic medical records and health information technologies. The Authority and the Board have issued their preliminary report and the final report is due December 1, 2006.

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**Summary of Substitute Bill:**

When contracting for state-purchased health care and considering options for cost containment and delivery alternatives in state-purchased health care programs, the Authority must promote and increase the adoption of health information technology systems by hospitals, integrated delivery systems, and providers. The Authority may achieve this through reimbursement and state health purchasing strategies as well as pilot studies. The health information technology systems must:

- facilitate diagnosis or treatment;
- reduce unnecessary duplication of medical tests;
- promote efficient electronic physician order entry;
- increase access to health information for consumers and their providers; and
- improve health outcomes.

The Authority must coordinate a strategy for the adoption of health information technology systems based on the final report and recommendations of the Authority and Board due in December 2006. It is the stated intent of the bill to encourage all hospitals, integrated delivery systems, and providers to adopt health information technologies by 2012.

The Authority is authorized to accept grants, gifts, and other payments to implement authorized initiatives and strategies.

The Department of Corrections (Department) must create a demonstration project to establish an integrated electronic health records system to facilitate and expedite the transfer of inmate health information between state and local correctional facilities, if provided in the budget. The project must be created with one county jail system, one city jail system located within that county, and one state prison. By December 2006, the Department must provide recommendations to the Legislature regarding the implementation of a statewide integrated electronic health records system for correctional facilities. The recommendations shall

include information from other demonstration projects about costs, anticipated savings, benefits, and required statutory changes.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** This bill will set a statewide goal for Washington to adopt health information technology. This will help alleviate the cost burdens for small practices to adopt health information technology. This will help Washington leverage more public and private money. This will encourage the adoption of technology that will make medical care safe, effective, timely, evidence-based, equitable, and patient-centered. Health information technology will make health care better, more affordable, and convenient. Electronic medical records promote patient safety, help assess patient outcomes, allow for sharing of best practices, and minimize administrative costs. In addition to providers, patients, health plans, and employers all benefit from health information technology and should share the cost of adopting these systems.

**Testimony Against:** None.

**Persons Testifying:** Representative Morrell, prime sponsor; Dr. Steve Tarnoff and Karen Merrikin, Group Health Cooperative; Douglas Felts, Peninsula Community Health Services; Christina Hulet, Office of the Governor; Tom Byron, Washington State Hospital Association; and Lauren Moughon, American Association of Retired Persons Washington.

**Persons Signed In To Testify But Not Testifying:** None.