

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H

2

HOUSE BILL 395
Committee Substitute Favorable 5/4/21

Short Title: HIE Deadline Extension & Patient Protection.

(Public)

Sponsors:

Referred to:

March 25, 2021

1 A BILL TO BE ENTITLED
2 AN ACT EXEMPTING AMBULATORY SURGICAL CENTERS FROM THE
3 REQUIREMENT TO SUBMIT DEMOGRAPHIC AND CLINICAL DATA, EXTENDING
4 FOR CERTAIN PROVIDERS AND ENTITIES THE DEADLINES FOR MANDATORY
5 PARTICIPATION IN THE STATEWIDE HEALTH INFORMATION EXCHANGE
6 NETWORK KNOWN AS NC HEALTHCONNEX, AND INSTITUTING REFORMS TO
7 PROTECT PATIENTS.

8 The General Assembly of North Carolina enacts:

9 SECTION 1. G.S. 90-414.4(a) reads as rewritten:

10 "§ 90-414.4. Required participation in HIE Network for some providers.

11 (a) Findings. – The General Assembly makes the following findings:

12 (1) That controlling escalating health care costs of the Medicaid program and
13 other State-funded health care services is of significant importance to the
14 State, its taxpayers, its Medicaid recipients, and other recipients of
15 State-funded health care services.

16 (2) That the State and covered entities in North Carolina need timely access to
17 certain demographic and clinical information pertaining to services rendered
18 to Medicaid and other State-funded health care program beneficiaries and paid
19 for with Medicaid or other State-funded health care funds in order to assess
20 performance, improve health care outcomes, pinpoint medical expense trends,
21 identify beneficiary health risks, and evaluate how the State is spending
22 money on Medicaid and other State-funded health care services. The
23 Department of Information Technology, the Department of State Treasurer,
24 State Health Plan Division, and the Department of Health and Human
25 Services, Division of Health Benefits, have an affirmative duty to facilitate
26 and support participation by covered entities in the statewide health
27 information exchange network.

28 (3) That making demographic and clinical information available to the State and
29 covered entities in North Carolina by secure electronic means as set forth in
30 subsection (b) of this section will improve care coordination within and across
31 health systems, increase care quality for such beneficiaries, enable more
32 effective population health management, reduce duplication of medical
33 services, augment syndromic surveillance, allow more accurate measurement
34 of care services and outcomes, increase strategic knowledge about the health
35 of the population, and facilitate health care cost containment."

36 SECTION 2. G.S. 90-414.4(a1) reads as rewritten:



1 "(a1) Mandatory Connection to HIE Network. – Notwithstanding the voluntary nature of
2 the HIE Network under G.S. 90-414.2, the following providers and entities shall be connected to
3 the HIE Network and begin submitting data through the HIE Network pertaining to services
4 rendered to Medicaid beneficiaries and to other State-funded health care program beneficiaries
5 and paid for with Medicaid or other State-funded health care funds in accordance with the
6 following time line:

7 ...

8 (2) Except as provided in subdivisions (3), (4), and (5) of this subsection, all other
9 providers of Medicaid and State-funded health care services and their
10 affiliated entities shall begin submitting demographic and clinical data by
11 October 1, 2021; January 1, 2023.

12 ...

13 (4) The following entities shall begin submitting demographic and clinical data
14 by June 1, 2021; January 1, 2023:

15 a. ~~Ambulatory surgical centers as defined in G.S. 131E-146.~~

16 b. Dentists licensed under Article 2 of Chapter 90 of the General Statutes.

17 c. Licensed physicians whose primary area of practice is psychiatry.

18 d. The State Laboratory of Public Health operated by the Department of
19 Health and Human Services.

20 (5) The following entities shall begin submitting claims data by June 1,
21 2021; January 1, 2023:

22 a. Pharmacies registered with the North Carolina Board of Pharmacy
23 under Article 4A of Chapter 90 of the General Statutes.

24 b. State health care facilities operated under the jurisdiction of the
25 Secretary of the Department of Health and Human Services, including
26 State psychiatric hospitals, developmental centers, alcohol and drug
27 treatment centers, neuro-medical treatment centers, and residential
28 programs for children such as the Wright School and the Whitaker
29 Psychiatric Residential Treatment Facility."

30 **SECTION 3.** G.S. 90-414.4(a2) reads as rewritten:

31 "(a2) Extensions of Time for Establishing Connection to the HIE Network. – The
32 Department of Information Technology, in consultation with the Department of Health and
33 Human Services and the State Health Plan for Teachers and State Employees, may establish a
34 process to grant limited extensions of the time for providers and entities to connect to the HIE
35 Network and begin submitting data as required by this section upon the request of a provider or
36 entity that demonstrates an ongoing good-faith effort to take necessary steps to establish such
37 connection and begin data submission as required by this section. The process for granting an
38 extension of time must include a presentation by the provider or entity to the Department of
39 Information Technology, the Department of Health and Human Services, and the State Health
40 Plan for Teachers and State Employees on the expected time line for connecting to the HIE
41 Network and commencing data submission as required by this section. Neither the Department
42 of Information Technology, the Department of Health and Human Services, nor the State Health
43 Plan for Teachers and State Employees shall grant an extension of time (i) to any provider or
44 entity that fails to provide this information to both Departments, and the State Health Plan for
45 Teachers and State Employees, (ii) that would result in the provider or entity connecting to the
46 HIE Network and commencing data submission as required by this section later than ~~October 1,~~
47 ~~2021, or (iii) that would result in any provider or entity specified in subdivisions (4) and (5) of~~
48 ~~subsection (a1) of this section connecting to the HIE Network and commencing data submission~~
49 ~~as required by this section later than June 1, 2022. January 1, 2023.~~ The Department of
50 Information Technology shall consult with the Department of Health and Human Services and

1 the State Health Plan for Teachers and State Employees to review and decide upon a request for
2 an extension of time under this section within 30 days after receiving a request for an extension."

3 **SECTION 4.** G.S. 90-414.4(b) reads as rewritten:

4 "(b) Mandatory Submission of Demographic and Clinical Data. – Notwithstanding the
5 voluntary nature of the HIE Network under G.S. 90-414.2 and, except as otherwise provided in
6 subsection (c) of this section, as a condition of receiving State funds, including Medicaid funds,
7 the following entities shall submit at least twice daily, through the HIE network, demographic
8 and clinical information pertaining to services rendered to Medicaid and other State-funded
9 health care program beneficiaries and paid for with Medicaid or other State-funded health care
10 funds, solely for the purposes set forth in subsection (a) of this section:

- 11 (1) Each hospital, as defined in G.S. 131E-176(13) that has an electronic health
12 record system.
- 13 (2) Each Medicaid ~~provider~~provider, unless the provider is an ambulatory
14 surgical center, as defined in G.S. 131E-146.
- 15 (3) Each provider that receives State funds for the provision of health
16 ~~services~~services, unless the provider is an ambulatory surgical center, as
17 defined in G.S. 131E-146.
- 18 (4) Each local management entity/managed care organization, as defined in
19 G.S. 122C-3."

20 **SECTION 5.** G.S. 90-414.4 is amended by adding a new subsection to read:

21 "(b1) Any provider or entity whose receipt of State funds is negatively impacted by a failure
22 to connect to the HIE Network and submit required data in compliance with this Article shall not
23 balance bill for any services rendered to State-funded health care program beneficiaries, and
24 those beneficiaries shall not be responsible for improper charges."

25 **SECTION 6.** G.S. 90-414.6 reads as rewritten:

26 "**§ 90-414.6. State ownership of HIE Network data.**

27 Any data pertaining to services rendered to Medicaid and other State-funded health care
28 program beneficiaries submitted through and stored by the HIE Network pursuant to
29 G.S. 90-414.4 or any other provision of this Article shall be and will remain the sole property of
30 the State. Any data or product derived from the aggregated, de-identified data submitted to and
31 stored by the HIE Network pursuant to G.S. 90-414.4 or any other provision of this Article, shall
32 be and will remain the sole property of the State. The Authority shall not allow data it receives
33 pursuant to G.S. 90-414.4 or any other provision of this Article to be used or disclosed by or to
34 any person or entity for commercial purposes or for any other purpose other than those set forth
35 in G.S. 90-414.4(a) or G.S. 90-414.2. To the extent the Authority receives requests for electronic
36 health information as the term is defined in 45 C.F.R. § 171.102, or other medical records from
37 an individual, an individual's personal representative, or an individual or entity purporting to act
38 on an individual's behalf, the Authority (i) shall not fulfill the request and (ii) shall make available
39 to the requester and the public, via the Authority's website, educational materials about how to
40 access such information from other sources."

41 **SECTION 7.** On or before December 1, 2022, the NC HIE Advisory Board shall
42 submit to the Joint Legislative Oversight Committee on Health and Human Services
43 recommendations regarding appropriate features or actions to support enforcement of the
44 Statewide Health Information Exchange Act contained in Article 29B of Chapter 90 of the
45 General Statutes.

46 **SECTION 8.** This act is effective when it becomes law.