

By: Nelson, et al.  
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S.B. No. 203

Substitute the following for S.B. No. 203:

By: Raymond

C.S.S.B. No. 203

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the continuation and functions of the Texas Health  
3 Services Authority as a quasi-governmental entity and the  
4 electronic exchange of health care information.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 531.904, Government Code, is amended by  
7 amending Subsections (c) and (g) and adding Subsections (c-1) and  
8 (c-2) to read as follows:

9 (c) The advisory committee must include the following  
10 members:

- 11 (1) Medicaid providers;  
12 (2) child health plan program providers;  
13 (3) fee-for-service providers;  
14 (4) ~~[at least one representative of the Texas Health  
15 Services Authority established under Chapter 182, Health and Safety  
16 Code,~~

17 ~~[(5)]~~ at least one representative of each health and  
18 human services agency;

19 (5) ~~[(6)]~~ at least one representative of a major  
20 provider association;

21 (6) ~~[(7)]~~ at least one representative of a health care  
22 facility;

23 (7) ~~[(8)]~~ at least one representative of a managed  
24 care organization;

1           (8) [~~(9)~~] at least one representative of the  
2 pharmaceutical industry;

3           (9) [~~(10)~~] at least one representative of Medicaid  
4 recipients and child health plan enrollees;

5           (10) [~~(11)~~] at least one representative of a local or  
6 regional health information exchange; and

7           (11) [~~(12)~~] at least one representative who is skilled  
8 in pediatric medical informatics.

9           (c-1) Notwithstanding Subsection (c), the advisory  
10 committee must include at least one representative of the Texas  
11 Health Services Authority established under Chapter 182, Health and  
12 Safety Code. This subsection expires September 1, 2021.

13           (c-2) Notwithstanding Subsection (c), on and after  
14 September 1, 2021, the advisory committee must include at least one  
15 representative of the private nonprofit organization with relevant  
16 knowledge and experience in establishing statewide health  
17 information exchange capabilities designated under Section  
18 182.108(j), Health and Safety Code.

19           (g) The advisory committee shall collaborate with the Texas  
20 Health Services Authority to ensure that the health information  
21 exchange system is interoperable with, and not an impediment to,  
22 the electronic health information infrastructure that the  
23 authority assists in developing. This subsection expires September  
24 1, 2021.

25           SECTION 2. Section 181.206, Health and Safety Code, is  
26 amended by amending Subsection (a) and adding Subsection (a-1) to  
27 read as follows:

1 (a) The commission, in coordination with the attorney  
2 general [~~, the Texas Health Services Authority,~~] and the Texas  
3 Department of Insurance:

4 (1) may request that the United States secretary of  
5 health and human services conduct an audit of a covered entity, as  
6 that term is defined by 45 C.F.R. Section 160.103, in this state to  
7 determine compliance with the Health Insurance Portability and  
8 Accountability Act and Privacy Standards; and

9 (2) shall periodically monitor and review the results  
10 of audits of covered entities in this state conducted by the United  
11 States secretary of health and human services.

12 (a-1) Notwithstanding Subsection (a), the commission shall  
13 also coordinate with the Texas Health Services Authority when  
14 requesting an audit or monitoring and reviewing the results of an  
15 audit under Subsection (a). This subsection expires September 1,  
16 2021.

17 SECTION 3. Section 181.207, Health and Safety Code, is  
18 amended to read as follows:

19 Sec. 181.207. FUNDING. (a) The commission and the Texas  
20 Department of Insurance [~~, in consultation with the Texas Health~~  
21 ~~Services Authority,~~] shall apply for and actively pursue available  
22 federal funding for enforcement of this chapter.

23 (b) Notwithstanding Subsection (a), the commission and the  
24 Texas Department of Insurance shall consult with the Texas Health  
25 Services Authority when applying for or pursuing federal funding  
26 under Subsection (a). This subsection expires September 1, 2021.

27 SECTION 4. The heading to Chapter 182, Health and Safety

1 Code, is amended to read as follows:

2 CHAPTER 182. ELECTRONIC EXCHANGE OF HEALTH INFORMATION [~~TEXAS~~  
3 ~~HEALTH SERVICES AUTHORITY~~]

4 SECTION 5. Subchapter A, Chapter 182, Health and Safety  
5 Code, is amended by adding Section 182.003 to read as follows:

6 Sec. 182.003. EXPIRATION OF SUBCHAPTER. This subchapter  
7 expires September 1, 2021.

8 SECTION 6. Section 182.052, Health and Safety Code, is  
9 amended to read as follows:

10 Sec. 182.052. EXPIRATION OF SUBCHAPTER [~~APPLICATION OF~~  
11 ~~SUNSET ACT~~]. This subchapter [~~The corporation is subject to~~  
12 ~~Chapter 325, Government Code. Unless continued in existence as~~  
13 ~~provided by that chapter, the corporation is abolished and this~~  
14 ~~chapter~~] expires September 1, 2021 [~~2015. The governor may order~~  
15 ~~the dissolution of the corporation at any time the governor~~  
16 ~~declares that the purposes of the corporation have been fulfilled~~  
17 ~~or that the corporation is inoperative or abandoned~~].

18 SECTION 7. Section 182.053, Health and Safety Code, as  
19 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,  
20 2015, is amended by amending Subsections (a) and (b) and adding  
21 Subsections (b-1) and (h) to read as follows:

22 (a) The corporation is governed by a board of 12 [~~11~~]  
23 directors appointed by the governor, with the advice and consent of  
24 the senate.

25 (b) The governor shall also appoint at least two ex officio,  
26 nonvoting members representing the health and human services  
27 agencies as state agency data resources [~~department~~].

1        (b-1) The governor shall appoint as a voting board member  
2 one individual who represents Texas local health information  
3 exchanges.

4        (h) In this section, "health and human services agencies"  
5 includes the:

6            (1) department;

7            (2) Department of Aging and Disability Services;

8            (3) Department of Assistive and Rehabilitative  
9 Services;

10           (4) Department of Family and Protective Services; and

11           (5) commission.

12        SECTION 8. Section 182.101, Health and Safety Code, is  
13 amended to read as follows:

14        Sec. 182.101. GENERAL POWERS AND DUTIES.    (a) The  
15 corporation may:

16            (1) establish statewide health information exchange  
17 capabilities, including capabilities for electronic laboratory  
18 results, diagnostic studies, and medication history delivery, and,  
19 where applicable, promote definitions and standards for electronic  
20 interactions statewide;

21            (2) seek funding to:

22                    (A) implement, promote, and facilitate the  
23 voluntary exchange of secure electronic health information between  
24 and among individuals and entities that are providing or paying for  
25 health care services or procedures; and

26                    (B) create incentives to implement, promote, and  
27 facilitate the voluntary exchange of secure electronic health

1 information between and among individuals and entities that are  
2 providing or paying for health care services or procedures;

3 (3) establish statewide health information exchange  
4 capabilities for streamlining health care administrative functions  
5 including:

6 (A) communicating point of care services,  
7 including laboratory results, diagnostic imaging, and prescription  
8 histories;

9 (B) communicating patient identification and  
10 emergency room required information in conformity with state and  
11 federal privacy laws;

12 (C) real-time communication of enrollee status  
13 in relation to health plan coverage, including enrollee  
14 cost-sharing responsibilities; and

15 (D) current census and status of health plan  
16 contracted providers;

17 (4) support regional health information exchange  
18 initiatives by:

19 (A) identifying data and messaging standards for  
20 health information exchange;

21 (B) administering programs providing financial  
22 incentives, including grants and loans for the creation and support  
23 of regional health information networks, subject to available  
24 funds;

25 (C) providing technical expertise where  
26 appropriate;

27 (D) sharing intellectual property developed

1 under Section 182.105;

2 (E) waiving the corporation's fees associated  
3 with intellectual property, data, expertise, and other services or  
4 materials provided to regional health information exchanges  
5 operated on a nonprofit basis; and

6 (F) applying operational and technical standards  
7 developed by the corporation to existing health information  
8 exchanges only on a voluntary basis, except for standards related  
9 to ensuring effective privacy and security of individually  
10 identifiable health information;

11 (5) identify standards for streamlining health care  
12 administrative functions across payors and providers, including  
13 electronic patient registration, communication of enrollment in  
14 health plans, and information at the point of care regarding  
15 services covered by health plans; and

16 (6) support the secure, electronic exchange of health  
17 information through other strategies identified by the board.

18 (b) This section expires September 1, 2021.

19 SECTION 9. Section 182.102, Health and Safety Code, is  
20 amended by adding Subsection (c) to read as follows:

21 (c) This section expires September 1, 2021.

22 SECTION 10. Section 182.103, Health and Safety Code, is  
23 amended by adding Subsection (d) to read as follows:

24 (d) This section expires September 1, 2021.

25 SECTION 11. Section 182.104, Health and Safety Code, is  
26 amended to read as follows:

27 Sec. 182.104. SECURITY COMPLIANCE. (a) The corporation

1 shall:

2 (1) establish appropriate security standards to  
3 protect both the transmission and the receipt of individually  
4 identifiable health information or health care data;

5 (2) establish appropriate security standards to  
6 protect access to any individually identifiable health information  
7 or health care data collected, assembled, or maintained by the  
8 corporation;

9 (3) establish the highest levels of security and  
10 protection for access to and control of individually identifiable  
11 health information, including mental health care data and data  
12 relating to specific disease status, that is governed by more  
13 stringent state or federal privacy laws; and

14 (4) establish policies and procedures for the  
15 corporation for taking disciplinary actions against a board member,  
16 employee, or other person with access to individually identifiable  
17 health care information that violates state or federal privacy laws  
18 related to health care information or data maintained by the  
19 corporation.

20 (b) This section expires September 1, 2021.

21 SECTION 12. Section 182.105, Health and Safety Code, is  
22 amended to read as follows:

23 Sec. 182.105. INTELLECTUAL PROPERTY. (a) The corporation  
24 shall take commercially reasonable measures to protect its  
25 intellectual property, including obtaining patents, trademarks,  
26 and copyrights where appropriate.

27 (b) This section expires September 1, 2021.



1 SECTION 13. Section 182.106, Health and Safety Code, is  
2 amended to read as follows:

3 Sec. 182.106. ANNUAL REPORT. (a) The corporation shall  
4 submit an annual report to the governor, the lieutenant governor,  
5 the speaker of the house of representatives, and the appropriate  
6 oversight committee in the senate and the house of  
7 representatives. The annual report must include financial  
8 information and a progress update on the corporation's efforts to  
9 carry out its mission.

10 (b) This section expires September 1, 2021.

11 SECTION 14. Section 182.107, Health and Safety Code, is  
12 amended by adding Subsection (d) to read as follows:

13 (d) This section expires September 1, 2021.

14 SECTION 15. (a) Section 182.108, Health and Safety Code, is  
15 amended by adding Subsection (f) to read as follows:

16 (f) Subsections (a)-(e) and this subsection expire  
17 September 1, 2021.

18 (b) Effective September 1, 2021, Section 182.108, Health  
19 and Safety Code, is amended by adding Subsections (g), (h), (i),  
20 (j), (k), (l), (m), and (n) to read as follows:

21 (g) The privacy and security standards for the electronic  
22 sharing of protected health information adopted under this section  
23 and in effect on September 1, 2021, continue until amended by rule  
24 by the commission.

25 (h) In amending standards under Subsection (g), the  
26 commission shall seek the assistance of a private nonprofit  
27 organization with relevant knowledge and experience in

1 establishing statewide health information exchange capabilities.

2 (i) Standards amended under Subsection (g) must be designed  
3 to:

4 (1) comply with the Health Insurance Portability and  
5 Accountability Act and Privacy Standards and Chapter 181;

6 (2) comply with any other state and federal law  
7 relating to the security and confidentiality of information  
8 electronically maintained or disclosed by a covered entity;

9 (3) ensure the secure maintenance and disclosure of  
10 individually identifiable health information;

11 (4) include strategies and procedures for disclosing  
12 individually identifiable health information; and

13 (5) support a level of system interoperability with  
14 existing health record databases in this state that is consistent  
15 with emerging standards.

16 (j) The commission shall designate a private nonprofit  
17 organization with relevant knowledge and experience in  
18 establishing statewide health information exchange capabilities to  
19 establish a process by which a covered entity may apply for  
20 certification by the designated private nonprofit organization of a  
21 covered entity's past compliance with standards adopted under this  
22 section. If a private nonprofit organization with relevant  
23 knowledge and experience in establishing statewide health  
24 information exchange capabilities does not exist, the commission  
25 shall either:

26 (1) establish the process described by this  
27 subsection; or

1           (2) designate another entity with relevant knowledge  
2 to establish the process described by this subsection.

3           (k) The entity that establishes the process under  
4 Subsection (j) shall publish the standards adopted under this  
5 section on the entity's Internet website.

6           (l) The commission shall ensure that any fee charged for the  
7 certification process described in Subsection (j) by the private  
8 nonprofit organization or entity designated under that subsection,  
9 including a person acting on behalf of a designated organization or  
10 entity, is reasonable. If the commission establishes the process as  
11 described by Subsection (j)(1), the commission shall set a  
12 reasonable fee for the certification process.

13           (m) For good cause, the commission may revoke the  
14 designation or authority of a private nonprofit organization or  
15 entity to establish the process or offer certifications under  
16 Subsection (j).

17           (n) In this section:

18                   (1) "Covered entity" has the meaning assigned by  
19 Section [181.001](#).

20                   (2) "Disclose" has the meaning assigned by Section  
21 [181.001](#).

22                   (3) "Health Insurance Portability and Accountability  
23 Act and Privacy Standards" has the meaning assigned by Section  
24 [181.001](#).

25                   (4) "Individually identifiable health information"  
26 means individually identifiable health information as that term is  
27 defined by the privacy rule of the Health Insurance Portability and

1 Accountability Act and Privacy Standards.

2           (5) "Protected health information" means protected  
3 health information as that term is defined by the privacy rule of  
4 the Health Insurance Portability and Accountability Act and Privacy  
5 Standards.

6           SECTION 16. Except as otherwise provided by this Act, this  
7 Act takes effect September 1, 2015.