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LAW/IS 6/23/08

§§1-7 -
C.26:1A-132 to
26:1A-138
Title 17.
Chapter 1D.
(New)
Electronic Health
Information
Technology
§§8-10 -
C.17:1D-1 to
17:1D-3
§11 - Note to
§§1-10

P.L. 2007, CHAPTER 330, *approved January 13, 2008*
Assembly, No. 4044 (*Second Reprint*)

1 AN ACT ²[establishing the New Jersey Health Information
2 Technology Commission] concerning health information
3 technology² and supplementing Title ²17B of the New Jersey
4 Statutes and Title² 26 of the Revised Statutes.

5
6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8
9 1. This act shall be known and may be cited as the “New Jersey
10 Health Information Technology ²[Promotion]² Act.”

11
12 2. The Legislature finds and declares that:

13 a. It is in the public interest for New Jersey residents to have all
14 appropriate personal health information available to them and to
15 their treating health care professionals in a medical office, hospital
16 emergency room, other health care facility setting, or pharmacy;

17 b. Natural disasters and other public health emergencies have
18 demonstrated the need for timely, secure, and accessible health
19 information, in particular for our most vulnerable populations,
20 including senior citizens, persons with disabilities, and those with
21 limited financial means;

22 c. Health information technology has great potential as one
23 means of furthering progress towards achieving affordable, safe,
24 and accessible health care for all persons by: ensuring that health
25 information is available at the point of care for all patients, while
26 protecting the confidentiality and privacy of the information;
27 improving safety, reducing medical errors, and avoiding duplicative
28 and unnecessary medical ²tests and² procedures; improving
29 coordination of care among hospitals, clinics, nursing homes, home

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AHE committee amendments adopted May 10, 2007.

²Senate SHH committee amendments adopted December 17, 2007.

1 health agencies, pharmacies, and health care professionals; and
2 providing consumers with their own health information in order to
3 encourage greater participation in decisions concerning their own
4 health care;

5 d. The federal Department of Health and Human Services has
6 estimated that health information technology, in addition to
7 improving the quality of chronic care management and reducing
8 medical errors, could achieve potential savings of almost 10% of
9 total health care spending in the United States;

10 e. ²~~There are~~ The² many different and conflicting standards
11 for collecting and reporting personal health information within the
12 health care community ²~~[, which]~~² currently ²~~hinders~~ hinder² the
13 appropriate sharing of patient health care information², and health
14 information technology can eliminate these different standards²;

15 f. State leadership can promote public policy, encourage
16 coordinated efforts in the private health care sector, further public
17 and private partnerships, and maximize federal and regional
18 financial participation, in support of adopting an electronic health
19 information infrastructure;

20 g. ²~~The~~ It is desirable to implement an² electronic health
21 information infrastructure ²~~[should be implemented]~~² in the
22 context of a Statewide health information technology plan that
23 includes standards and protocols designed to promote patient
24 education, patient privacy, physician best practices, electronic
25 connectivity to health care data, and generally a more efficient and
26 less costly means of delivering quality health care in New Jersey, in
27 order to provide for an interoperative environment among health
28 care providers, health care payers, employers, and patients in New
29 Jersey;

30 h. It is time for this State to clearly and unequivocally move its
31 public policy in the direction of establishing an electronic health
32 information infrastructure through a vehicle that provides for a
33 collaborative planning and implementation strategy and includes the
34 relevant public and private stakeholders in developing and
35 achieving a sustainable model for an electronic health information
36 network for New Jersey; and

37 i. ²~~The vehicle for developing and achieving this model will be~~
38 ~~the New Jersey Health Information Technology Commission~~
39 ~~established pursuant to this bill]~~ In order to conserve and efficiently
40 use funds for the effective delivery of quality medical care to all
41 persons, it is the policy of the State to lessen the expenditure of
42 resources on unnecessarily repeated medical tests, while
43 maintaining the highest quality of medical care for our citizens².

44

45 3. As used in this act:

46 ²~~“Commission” means the New Jersey Health Information~~
47 ~~Technology Commission established pursuant to this act.]~~²

1 “Health information technology” means technology that is used
2 to electronically collect, store, retrieve, and transfer clinical,
3 administrative, and financial health information.

4 “Interoperative” means that entities are able to exchange data
5 accurately, effectively, securely, and consistently with different
6 information technology systems, software applications, and
7 networks in such a way that the clinical or operational purposes and
8 meaning of the data are preserved and unaltered.

9 ²“Office for e-HIT” means the Office for the Development,
10 Implementation, and Deployment of Electronic Health Information
11 Technology, in the Department of Banking and Insurance,
12 established pursuant to this act.²

13 “Plan” means the Statewide health information technology plan
14 that is developed and implemented pursuant to this act.

15
16 4. It is the public policy of this State to promote, encourage,
17 facilitate, and support the development, utilization, and
18 improvement of health information technology ²and electronic
19 health records², including the effectuation of a secure, ¹[regional]
20 integrated and interoperative²[.]² Statewide¹ health care
21 information infrastructure in accordance with a Statewide health
22 information technology plan that is developed and implemented
23 pursuant to this act.

24
25 5. a. There is established the New Jersey Health Information
26 Technology Commission. For the purpose of complying with the
27 provisions of Article V, Section IV, paragraph 1 of the New Jersey
28 Constitution, the commission is established within the Department
29 of Health and Senior Services, but, notwithstanding the
30 establishment, the commission shall be independent of any
31 supervision or control by the department or any board or officer
32 thereof.

33 b. The commission shall ²[assume primary responsibility within
34 State government for the development, implementation, and
35 oversight of the Statewide health information technology plan. The
36 plan shall be designed to establish a secure, integrated ¹and
37 interoperative¹, ¹[regional] Statewide¹ electronic health
38 information infrastructure for the sharing of electronic health
39 information among health care facilities, health care professionals,
40 public and private payers, and patients, which complies with all
41 State and federal privacy requirements and links all components of
42 the health care delivery system through secure and appropriate
43 exchanges of health information for the purpose of enhancing health
44 care quality, patient safety, communication of patient information,
45 disease management capabilities, patient and provider satisfaction,
46 clinical and administrative cost reductions, ¹fraud and abuse
47 prevention and detection¹, and public health emergency

1 preparedness] collaborate with the Office for e-HIT established
2 pursuant to this act, concerning all activities related to the
3 development, implementation, and oversight of the plan.

4 The commission shall be responsible for approving the Statewide
5 health information technology plan².

6 c. In ²[developing and implementing] providing advice on the
7 development of² the plan, the commission shall, at a minimum,
8 ²[give consideration to the need and means to] consider the
9 following²:

10 (1) ²[educate] the importance of the education of² the general
11 public and health care professionals about the value of an electronic
12 health infrastructure for improving ²the delivery of² patient care;

13 (2) ²[support]² the ²means for the creation of an² effective,
14 efficient, Statewide use of electronic health information in patient
15 care, health care policymaking, clinical research, health care
16 financing, and continuous quality improvements;

17 (3) ²[promote] the means for the promotion of² the use of
18 national standards for the development of an ¹[interoperable]
19 interoperative¹ system, including provisions relating to security,
20 privacy, data content, structures and format, vocabulary, and
21 transmission protocols;

22 (4) ²[make] the nature of proper² strategic investments in
23 equipment and other infrastructure elements that will facilitate the
24 ongoing development of a Statewide infrastructure;

25 (5) ²[provide]² funding ²needs² for the ongoing development
26 ²[and maintenance costs]² of ²[a Statewide]² health information
27 ²[system¹, which shall be known as the New Jersey Health
28 Information Bank¹] technology projects²;

29 (6) ²[incorporate] actions needed to incorporate² existing health
30 care information technology initiatives ²into the plan² in order to
31 avoid incompatible systems and duplicative efforts;

32 (7) ²[integrate the components] the proper means for the review
33 and integration of the recommendations, findings, and conclusions²
34 of the New Jersey Health Information Security and Privacy
35 Collaboration ²[in the Department of Banking and Insurance]²;
36 ¹[and]¹

37 (8) ²[address] the importance of recommending steps for the
38 proper resolution of² issues related to data ownership, governance,
39 and confidentiality and security of patient information¹;

40 (9) ²[promote] the importance of promoting² the deployment of
41 health information technology in primary care provider ²[practices]
42 settings²; and

43 (10) ²[provide for the deployment] the roles that the
44 development and use² of open-source ²electronic medical record²
45 software ²[to effectuate] and the use of application service provider

1 software can play in effectuating² the purposes of paragraph (9) of
2 this subsection¹.

3 ²d. The commission shall review the plan submitted by the
4 Office for e-HIT and notify it of any changes needed to approve the
5 plan.²

6
7 6. a. The ²[commission] New Jersey Health Information
8 Technology Commission² shall be comprised of ¹[21] ²[17¹] ¹⁹²
9 members as follows:

10 (1) the Commissioners of Health and Senior Services, Banking
11 and Insurance, ²Children and Families,² and Human Services, and
12 the State Treasurer, or their designees, who shall serve ex officio;
13 and

14 (2) ¹[17] ²[13¹] ¹⁴² public members, who shall be appointed
15 by the Governor no later than the ¹[30th] ^{60th}¹ day after the
16 effective date of this act, as follows: ¹[one person upon the
17 recommendation of the New Jersey Hospital Association; one
18 person upon the recommendation of the New Jersey Council of
19 Teaching Hospitals; one person upon the recommendation of the
20 Health Care Association of New Jersey; one person upon the
21 recommendation of the Medical Society of New Jersey; one person
22 upon the recommendation of the University of Medicine and
23 Dentistry of New Jersey; one person upon the recommendation of
24 the New Jersey Institute of Technology; one person upon the
25 recommendation of the New Jersey Association of Health Plans;
26 one person upon the recommendation of the New Jersey
27 Pharmacists Association; one person upon the recommendation of
28 the New Jersey State Nurses Association; one person upon the
29 recommendation of the New Jersey Primary Care Association; one
30 person upon the recommendation of the Mental Health Association
31 in New Jersey; one person upon the recommendation of the New
32 Jersey Health Care Quality Institute; one person upon the
33 recommendation of the New Jersey Business and Industry
34 Association; one person upon the recommendation of the New
35 Jersey State AFL-CIO; one person upon the recommendation of
36 AARP New Jersey; one] three physicians engaged in private
37 practice in this State, one of whom is a pediatrician and one a
38 psychiatrist; two persons who represent acute care hospitals in this
39 State, one of whom represents a teaching hospital and the other a
40 non-teaching hospital; a registered professional nurse practicing in
41 this State²[.];² a pharmacist practicing in this State; a person who
42 represents a clinical laboratory operating in this State; an attorney
43 practicing in this State with demonstrated expertise in health
44 privacy issues; a person who represents ²[health benefits plans] a
45 health insurance carrier² operating in this State; a¹ person ¹[upon
46 the recommendation of] who represents¹ a Quality Improvement
47 Organization located in New Jersey that contracts with the federal

1 Centers for Medicare and Medicaid Services to improve the
2 efficiency and effectiveness, economy, and quality of services
3 provided to Medicare beneficiaries; and ¹['one member] ²['two]
4 three² members¹ of the public with a demonstrated ¹'professional'
5 expertise in issues relating to the work of the commission²,
6 including one member with expertise in electronic health
7 information technology².

8 ²(3) The Governor shall designate a public member as chair of
9 the commission.²

10 b. The public members shall serve for a term of three years;
11 except that, of the public members first appointed, ¹['seven] five¹
12 shall serve for a term of three years, ¹['six] five¹ for a term of two
13 years, and ¹['four] ²['three¹] four² for a term of one year.
14 Vacancies in the membership of the commission shall be filled in
15 the same manner as the original appointments were made.

16 c. The commission shall organize as soon as may be practicable,
17 but no later than the ¹['30th] 45th¹ day after the appointment of its
18 members²['], and shall select a chairperson from among the public
19 members²[']. ¹['The chairperson shall appoint a secretary who need
20 not be a member of the commission.]¹ The public members shall
21 serve without compensation, but may be reimbursed for necessary
22 expenses incurred in the performance of their duties ²['as provided
23 in subsection g. of this section']².

24 d. A majority of the total authorized membership of the
25 commission shall constitute a quorum at any meeting thereof.
26 Action may be taken and motions and resolutions adopted by the
27 commission at any meeting of the commission by the affirmative
28 vote of a majority of the quorum of the members who are present.
29 A vacancy in the membership of the commission shall not impair
30 the right of a quorum of the members to exercise all the powers and
31 perform all the duties of the commission.

32 e. ²[(1) The commission shall appoint a full-time executive
33 director, who shall serve as secretary to the commission. The
34 executive director shall serve at the pleasure of the commission and
35 shall be qualified by training and experience to perform the duties
36 of the position. The executive director shall be in the unclassified
37 service of the Civil Service and may hire properly qualified
38 employees, within the limits of funds appropriated or otherwise
39 made available to the commission, who shall also be employed in
40 the unclassified service of the Civil Service; except that employees
41 performing stenographic or clerical duties shall be in the career
42 service and appointed pursuant to Title 11A of the New Jersey
43 Statutes.

44 (2) The commission may appoint, retain, or employ consultants
45 on a contract basis or otherwise, who are deemed necessary, and as

1 may be within the limits of funds appropriated or otherwise made
2 available to it for its purposes.

3 (3) The commission shall be entitled to the assistance and
4 services of the employees of any State department, board, bureau,
5 commission or agency as it may require and as may be available to
6 its for its purposes, and to incur traveling and other miscellaneous
7 expenses necessary to perform its duties, within the limits of funds
8 appropriated or otherwise made available to it for its purpose.

9 f.]² The commission shall meet and confer with the Office for
10 e-HIT² at least quarterly and may meet at other times at the call of
11 the ²[chairman] commission chair². The ²meetings of the²
12 commission shall ²[in all respects]² comply with the provisions of
13 the “Open Public Meetings Act,” P.L.1975, c.231 (C.10:4-6 et seq.).

14 ²[g.] f.² In addition to any other powers authorized by law, the
15 commission shall have the authority, in accordance with State law,
16 to:

17 (1) make and enter into contracts to purchase services and
18 supplies;

19 (2) develop and submit a proposed budget ², not to exceed \$1
20 million annually²;

21 (3) ²[accept gifts and charitable contributions;

22 (4)]² apply for, receive, and expend grants from governmental
23 or private nonprofit sources;

24 ²(4) recommend to the Department of Banking and Insurance
25 the necessary charges and assessments to be levied to collect
26 payments from persons and entities for the provision of services or
27 as the Office for e-HIT otherwise determines necessary to effectuate
28 the purposes of this act;²

29 (5) ²[adopt regulations, pursuant to the “Administrative
30 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate
31 the purposes of this act] receive and expend appropriations²;

32 (6) ²[establish charges for and collect payments from persons
33 and entities for the provision of services or as the commission
34 otherwise determines necessary to effectuate the purposes of this
35 act;

36 (7) receive and expend appropriations;

37 (8) enter into a reimbursable work program with other State
38 government agencies or private entities under which funds are
39 transferred from the other agencies or entities to the commission for
40 the performance of activities pursuant to this act; and

41 (9)]² provide such other services and perform such other
42 functions as the commission deems necessary to fulfill its
43 responsibilities under this act ²; and

44 (7) appoint, retain, or employ consultants on a contract basis or
45 otherwise, who are deemed necessary, and as may be within the

1 limits of funds appropriated or otherwise made available to it for its
2 purposes².

3 ²[h. The] g. In collaboration with the Office for e-HIT, the²
4 commission shall, no later than 18 months after its initial meeting
5 and annually thereafter, submit a joint² report to the Governor, and
6 to the Legislature pursuant to section 2 of P.L.1991, c.164
7 (C.52:14-19.1), concerning its activities and the status of, and
8 actions taken regarding development, implementation, and
9 oversight of the Statewide health information technology plan. The
10 commission shall include in that report any findings and
11 recommendations that it desires to make, along with any legislative
12 bills that it desires to recommend for adoption by the Legislature.

13 ²h. The commission shall develop and submit a proposed budget
14 to the Commissioner of Health and Senior Services to effectuate its
15 duties as set forth in this act.

16 The budget shall be subject to approval by the Commissioner of
17 Health and Senior Services.

18 i. The commission shall appoint a full-time executive director,
19 who shall serve as secretary to the commission. The executive
20 director shall serve at the pleasure of the commission and shall be
21 qualified by training and experience to perform the duties of the
22 position. The executive director shall be in the unclassified service
23 of the Civil Service and may hire properly qualified employees,
24 within the limits of funds appropriated or otherwise made available
25 to the commission, who shall also be employed in the unclassified
26 service of the Civil Service; except that employees performing
27 stenographic or clerical duties shall be in the career service and
28 appointed pursuant to Title 11A of the New Jersey Statutes.²

29
30 ²7. The New Jersey Health Information Technology Commission
31 shall annually, on or before October 1, certify to the State Treasurer
32 and the Commissioner of Banking and Insurance an amount
33 allocable to the expenses of the commission for the preceding fiscal
34 year, not to exceed \$1 million annually, which amount shall be
35 transferred to the commission by the State Treasurer from the
36 amounts assessed and collected by the Department of Banking and
37 Insurance pursuant to section 9 of P.L. , c. (C.)(pending before
38 the Legislature as this bill).²

39
40 ²8. a. There is established in the Department of Banking and
41 Insurance the Office for the Development, Implementation, and
42 Deployment of Electronic Health Information Technology in New
43 Jersey, to be known as the Office for e-HIT.

44 b. The Office for e-HIT, in collaboration with the Health
45 Information Technology Commission, shall develop, implement,
46 and oversee the operation of a Statewide health information
47 technology plan. The plan shall provide for, but not be limited to, a

1 mechanism designed to support the establishment of a secure,
2 integrated, interoperative, and Statewide electronic health
3 information infrastructure for the sharing of electronic health
4 information and electronic health records among health care
5 facilities, health care professionals, public and private payers, and
6 patients, which complies with all State and federal privacy
7 requirements and links all components of the health care delivery
8 system through secure and appropriate exchanges of health
9 information for the purpose of enhancing health care quality, patient
10 safety, communication of patient information, disease management
11 capabilities, patient and provider satisfaction, clinical and
12 administrative cost reductions, fraud and abuse prevention and
13 detection, and public health emergency preparedness. The plan shall
14 also provide for the designation of a custodian for all protected
15 health information that meets federal and State privacy and security
16 laws and is accredited by a national standard setting organization
17 recognized by the department.

18 c. The Office for e-HIT shall submit the plan to the Health
19 Information Technology Commission for the commission's review
20 and approval.

21 d. In collaboration with the commission, the Office for e-HIT
22 shall, no later than 18 months after its initial meeting and annually
23 thereafter, submit a joint report to the Governor, and to the
24 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1),
25 concerning its activities and the status, and actions taken regarding
26 development, implementation, and oversight, of the Statewide
27 health information technology plan. The office shall include in that
28 report any findings and recommendations that it desires to make,
29 along with any legislative bills that it desires to recommend for
30 adoption by the Legislature.²

31
32 ²9. The Department of Banking and Insurance shall fund the
33 approved budget of the commission established pursuant to section
34 6 of P.L. , c. (C.)(pending before the Legislature as this bill)
35 from fines, sanctions, and civil penalties assessed by the department
36 on entities regulated by the department pursuant to subtitle 3 of
37 Title 17 of the Revised Statutes, Title 17B of the New Jersey
38 Statutes, and P.L.1973, c.337 (C.26:2J-1 et seq.).²

39
40 ²10. The Office for e-HIT in the Department of Banking and
41 Insurance, pursuant to the "Administrative Procedure Act,"
42 P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and
43 regulations necessary to effectuate the purposes of this act.²

44
45 ²[7. This act shall take effect immediately.] 11. This act shall
46 take effect on the 180th day after enactment; except that the
47 Commissioner of Banking and Insurance may take such anticipatory

1 administrative action in advance thereof as shall be necessary for
2 the implementation of the act, and sections 5, 6, 7 and 9 of this act
3 shall expire five years after the date of enactment.²

4

5

6

7

8 “New Jersey Health Information Technology Act”; establishes
9 New Jersey Health Information Technology Commission and Office
10 for e-HIT, and provides for Statewide health information
11 technology plan.

ASSEMBLY, No. 4044

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED FEBRUARY 26, 2007

Sponsored by:

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington and Camden)

Assemblyman UPENDRA J. CHIVUKULA

District 17 (Middlesex and Somerset)

Assemblyman VINCENT PRIETO

District 32 (Bergen and Hudson)

Assemblywoman LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Assemblyman ROBERT M. GORDON

District 38 (Bergen)

Assemblyman ERIC MUNOZ

District 21 (Essex, Morris, Somerset and Union)

Co-Sponsored by:

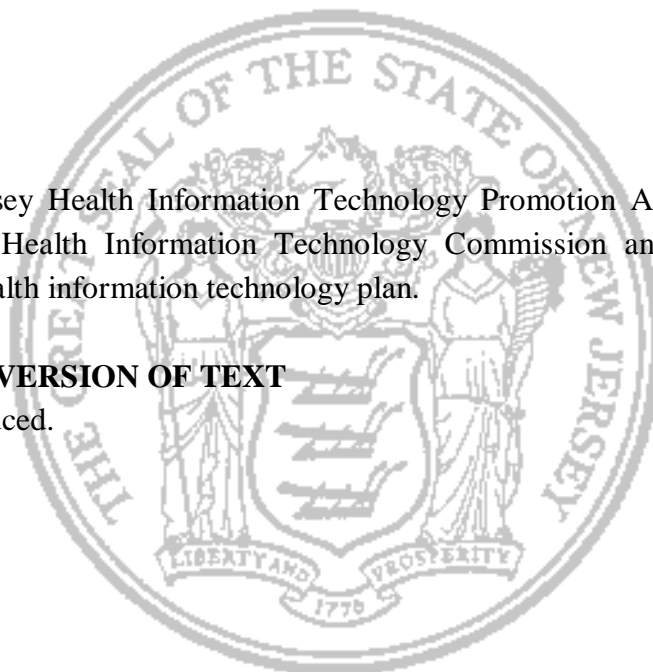
Assemblyman Connors

SYNOPSIS

“New Jersey Health Information Technology Promotion Act”; establishes New Jersey Health Information Technology Commission and provides for Statewide health information technology plan.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/11/2007)

1 AN ACT establishing the New Jersey Health Information
2 Technology Commission and supplementing Title 26 of the
3 Revised Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. This act shall be known and may be cited as the “New Jersey
9 Health Information Technology Promotion Act.”

10
11 2. The Legislature finds and declares that:

12 a. It is in the public interest for New Jersey residents to have all
13 appropriate personal health information available to them and to
14 their treating health care professionals in a medical office, hospital
15 emergency room, other health care facility setting, or pharmacy;

16 b. Natural disasters and other public health emergencies have
17 demonstrated the need for timely, secure, and accessible health
18 information, in particular for our most vulnerable populations,
19 including senior citizens, persons with disabilities, and those with
20 limited financial means;

21 c. Health information technology has great potential as one
22 means of furthering progress towards achieving affordable, safe,
23 and accessible health care for all persons by: ensuring that health
24 information is available at the point of care for all patients, while
25 protecting the confidentiality and privacy of the information;
26 improving safety, reducing medical errors, and avoiding duplicative
27 and unnecessary medical procedures; improving coordination of
28 care among hospitals, clinics, nursing homes, home health agencies,
29 pharmacies, and health care professionals; and providing consumers
30 with their own health information in order to encourage greater
31 participation in decisions concerning their own health care;

32 d. The federal Department of Health and Human Services has
33 estimated that health information technology, in addition to
34 improving the quality of chronic care management and reducing
35 medical errors, could achieve potential savings of almost 10% of
36 total health care spending in the United States;

37 e. There are many different and conflicting standards for
38 collecting and reporting personal health information within the
39 health care community, which currently hinders the appropriate
40 sharing of patient health care information;

41 f. State leadership can promote public policy, encourage
42 coordinated efforts in the private health care sector, further public
43 and private partnerships, and maximize federal and regional
44 financial participation, in support of adopting an electronic health
45 information infrastructure;

46 g. The electronic health information infrastructure should be
47 implemented in the context of a Statewide health information
48 technology plan that includes standards and protocols designed to

1 promote patient education, patient privacy, physician best practices,
2 electronic connectivity to health care data, and generally a more
3 efficient and less costly means of delivering quality health care in
4 New Jersey, in order to provide for an interoperative environment
5 among health care providers, health care payers, employers, and
6 patients in New Jersey;

7 h. It is time for this State to clearly and unequivocally move its
8 public policy in the direction of establishing an electronic health
9 information infrastructure through a vehicle that provides for a
10 collaborative planning and implementation strategy and includes the
11 relevant public and private stakeholders in developing and
12 achieving a sustainable model for an electronic health information
13 network for New Jersey; and

14 i. The vehicle for developing and achieving this model will be
15 the New Jersey Health Information Technology Commission
16 established pursuant to this bill.

17

18 3. As used in this act:

19 “Commission” means the New Jersey Health Information
20 Technology Commission established pursuant to this act.

21 “Health information technology” means technology that is used
22 to electronically collect, store, retrieve, and transfer clinical,
23 administrative, and financial health information.

24 “Interoperative” means that entities are able to exchange data
25 accurately, effectively, securely, and consistently with different
26 information technology systems, software applications, and
27 networks in such a way that the clinical or operational purposes and
28 meaning of the data are preserved and unaltered.

29 “Plan” means the Statewide health information technology plan
30 that is developed and implemented pursuant to this act.

31

32 4. It is the public policy of this State to promote, encourage,
33 facilitate, and support the development, utilization, and
34 improvement of health information technology, including the
35 effectuation of a secure, regional health care information
36 infrastructure in accordance with a Statewide health information
37 technology plan that is developed and implemented pursuant to this
38 act.

39

40 5. a. There is established the New Jersey Health Information
41 Technology Commission. For the purpose of complying with the
42 provisions of Article V, Section IV, paragraph 1 of the New Jersey
43 Constitution, the commission is established within the Department
44 of Health and Senior Services, but, notwithstanding the
45 establishment, the commission shall be independent of any
46 supervision or control by the department or any board or officer
47 thereof.

1 b. The commission shall assume primary responsibility within
2 State government for the development, implementation, and
3 oversight of the Statewide health information technology plan. The
4 plan shall be designed to establish a secure, integrated, regional
5 electronic health information infrastructure for the sharing of
6 electronic health information among health care facilities, health
7 care professionals, public and private payers, and patients, which
8 complies with all State and federal privacy requirements and links
9 all components of the health care delivery system through secure
10 and appropriate exchanges of health information for the purpose of
11 enhancing health care quality, patient safety, communication of
12 patient information, disease management capabilities, patient and
13 provider satisfaction, clinical and administrative cost reductions,
14 and public health emergency preparedness.

15 c. In developing and implementing the plan, the commission
16 shall, at a minimum, give consideration to the need and means to:

17 (1) educate the general public and health care professionals
18 about the value of an electronic health infrastructure for improving
19 patient care;

20 (2) support the effective, efficient, Statewide use of electronic
21 health information in patient care, health care policymaking,
22 clinical research, health care financing, and continuous quality
23 improvements;

24 (3) promote the use of national standards for the development of
25 an interoperable system, including provisions relating to security,
26 privacy, data content, structures and format, vocabulary, and
27 transmission protocols;

28 (4) make strategic investments in equipment and other
29 infrastructure elements that will facilitate the ongoing development
30 of a Statewide infrastructure;

31 (5) provide funding for the ongoing development and
32 maintenance costs of a Statewide health information system;

33 (6) incorporate existing health care information technology
34 initiatives in order to avoid incompatible systems and duplicative
35 efforts;

36 (7) integrate the components of the New Jersey Health
37 Information Security and Privacy Collaboration in the Department
38 of Banking and Insurance; and

39 (8) address issues related to data ownership, governance, and
40 confidentiality and security of patient information.

41

42 6. a. The commission shall be comprised of 21 members as
43 follows:

44 (1) the Commissioners of Health and Senior Services, Banking
45 and Insurance, and Human Services, and the State Treasurer, or
46 their designees, who shall serve ex officio; and

47 (2) 17 public members, who shall be appointed by the Governor
48 no later than the 30th day after the effective date of this act, as

1 follows: one person upon the recommendation of the New Jersey
2 Hospital Association; one person upon the recommendation of the
3 New Jersey Council of Teaching Hospitals; one person upon the
4 recommendation of the Health Care Association of New Jersey; one
5 person upon the recommendation of the Medical Society of New
6 Jersey; one person upon the recommendation of the University of
7 Medicine and Dentistry of New Jersey; one person upon the
8 recommendation of the New Jersey Institute of Technology; one
9 person upon the recommendation of the New Jersey Association of
10 Health Plans; one person upon the recommendation of the New
11 Jersey Pharmacists Association; one person upon the
12 recommendation of the New Jersey State Nurses Association; one
13 person upon the recommendation of the New Jersey Primary Care
14 Association; one person upon the recommendation of the Mental
15 Health Association in New Jersey; one person upon the
16 recommendation of the New Jersey Health Care Quality Institute;
17 one person upon the recommendation of the New Jersey Business
18 and Industry Association; one person upon the recommendation of
19 the New Jersey State AFL-CIO; one person upon the
20 recommendation of AARP New Jersey; one person upon the
21 recommendation of a Quality Improvement Organization located in
22 New Jersey that contracts with the federal Centers for Medicare and
23 Medicaid Services to improve the efficiency and effectiveness,
24 economy, and quality of services provided to Medicare
25 beneficiaries; and one member of the public with a demonstrated
26 expertise in issues relating to the work of the commission.

27 b. The public members shall serve for a term of three years;
28 except that, of the public members first appointed, seven shall serve
29 for a term of three years, six for a term of two years, and four for a
30 term of one year. Vacancies in the membership of the commission
31 shall be filled in the same manner as the original appointments were
32 made.

33 c. The commission shall organize as soon as may be practicable,
34 but no later than the 30th day after the appointment of its members,
35 and shall select a chairperson from among the public members. The
36 chairperson shall appoint a secretary who need not be a member of
37 the commission. The public members shall serve without
38 compensation, but may be reimbursed for necessary expenses
39 incurred in the performance of their duties as provided in subsection
40 g. of this section.

41 d. A majority of the total authorized membership of the
42 commission shall constitute a quorum at any meeting thereof.
43 Action may be taken and motions and resolutions adopted by the
44 commission at any meeting of the commission by the affirmative
45 vote of a majority of the quorum of the members who are present.
46 A vacancy in the membership of the commission shall not impair
47 the right of a quorum of the members to exercise all the powers and
48 perform all the duties of the commission.

1 e. (1) The commission shall appoint a full-time executive
2 director, who shall serve as secretary to the commission. The
3 executive director shall serve at the pleasure of the commission and
4 shall be qualified by training and experience to perform the duties
5 of the position. The executive director shall be in the unclassified
6 service of the Civil Service and may hire properly qualified
7 employees, within the limits of funds appropriated or otherwise
8 made available to the commission, who shall also be employed in
9 the unclassified service of the Civil Service; except that employees
10 performing stenographic or clerical duties shall be in the career
11 service and appointed pursuant to Title 11A of the New Jersey
12 Statutes.

13 (2) The commission may appoint, retain, or employ consultants
14 on a contract basis or otherwise, who are deemed necessary, and as
15 may be within the limits of funds appropriated or otherwise made
16 available to it for its purposes.

17 (3) The commission shall be entitled to the assistance and
18 services of the employees of any State department, board, bureau,
19 commission or agency as it may require and as may be available to
20 its for its purposes, and to incur traveling and other miscellaneous
21 expenses necessary to perform its duties, within the limits of funds
22 appropriated or otherwise made available to it for its purpose.

23 f. The commission shall meet at least quarterly and may meet at
24 other times at the call of the chairman. The commission shall in all
25 respects comply with the provisions of the "Open Public Meetings
26 Act," P.L.1975, c.231 (C.10:4-6 et seq.).

27 g. In addition to any other powers authorized by law, the
28 commission shall have the authority, in accordance with State law,
29 to:

30 (1) make and enter into contracts to purchase services and
31 supplies;

32 (2) develop and submit a proposed budget;

33 (3) accept gifts and charitable contributions;

34 (4) apply for, receive, and expend grants from governmental or
35 private nonprofit sources;

36 (5) adopt regulations, pursuant to the "Administrative Procedure
37 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the
38 purposes of this act;

39 (6) establish charges for and collect payments from persons and
40 entities for the provision of services or as the commission otherwise
41 determines necessary to effectuate the purposes of this act;

42 (7) receive and expend appropriations;

43 (8) enter into a reimbursable work program with other State
44 government agencies or private entities under which funds are
45 transferred from the other agencies or entities to the commission for
46 the performance of activities pursuant to this act; and

1 (9) provide such other services and perform such other functions
2 as the commission deems necessary to fulfill its responsibilities
3 under this act.

4 h. The commission shall, no later than 18 months after its initial
5 meeting and annually thereafter, report to the Governor, and to the
6 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1),
7 concerning its activities and the status of, and actions taken
8 regarding development, implementation, and oversight of the
9 Statewide health information technology plan. The commission
10 shall include in that report any findings and recommendations that it
11 desires to make, along with any legislative bills that it desires to
12 recommend for adoption by the Legislature.

13

14 7. This act shall take effect immediately.

15

16

17

STATEMENT

18

19 This bill, which is designated the "New Jersey Health
20 Information Technology Promotion Act," provides for the
21 development, implementation and oversight of a Statewide health
22 information technology plan and establishes the New Jersey Health
23 Information Technology Commission for that purpose.

24 The bill provides specifically as follows:

25 • It is the public policy of the State to promote, encourage,
26 facilitate, and support the development, utilization, and
27 improvement of health information technology, including the
28 effectuation of a secure, regional health care information
29 infrastructure in accordance with a Statewide health information
30 technology plan that is developed and implemented pursuant to
31 this bill.

32 • There is established the New Jersey Health Information
33 Technology Commission. For the purpose of complying with the
34 provisions of Article V, Section IV, paragraph 1 of the New
35 Jersey Constitution, the commission is established within the
36 Department of Health and Senior Services, but, notwithstanding
37 the establishment, the commission is to be independent of any
38 supervision or control by the department or any board or officer
39 thereof.

40 • The commission is to assume primary responsibility within State
41 government for the development, implementation and oversight
42 of the Statewide health information technology plan. The plan is
43 to be designed to establish a secure, integrated, regional
44 electronic health information infrastructure for the sharing of
45 electronic health information among health care facilities, health
46 care professionals, public and private payers, and patients, which
47 complies with all State and federal privacy requirements and links
48 all components of the health care delivery system through secure

- 1 and appropriate exchanges of health information for the purpose
2 of enhancing health care quality, patient safety, communication of
3 patient information, disease management capabilities, patient and
4 provider satisfaction, clinical and administrative cost reductions,
5 and public health emergency preparedness.
- 6 • In developing and implementing the plan, the commission, at a
7 minimum, is to give consideration to the need and means to:
 - 8 -- educate the general public and health care professionals about
9 the value of an electronic health infrastructure for improving patient
10 care;
 - 11 -- support the effective, efficient, Statewide use of electronic
12 health information in patient care, health care policymaking,
13 clinical research, health care financing, and continuous quality
14 improvements;
 - 15 -- promote the use of national standards for the development of
16 an interoperable system, including provisions relating to security,
17 privacy, data content, structures and format, vocabulary, and
18 transmission protocols;
 - 19 -- make strategic investments in equipment and other
20 infrastructure elements that will facilitate the ongoing development
21 of a Statewide infrastructure;
 - 22 -- provide funding for the ongoing development and
23 maintenance costs of a Statewide health information system;
 - 24 -- incorporate existing health care information technology
25 initiatives in order to avoid incompatible systems and duplicative
26 efforts;
 - 27 -- integrate the components of the New Jersey Health
28 Information Security and Privacy Collaboration in the Department
29 of Banking and Insurance; and
 - 30 -- address issues related to data ownership, governance, and
31 confidentiality and security of patient information.
 - 32 • The commission will be comprised of 21 members as follows:
 - 33 -- the Commissioners of Health and Senior Services, Banking
34 and Insurance, and Human Services, and the State Treasurer, or
35 their designees, as ex officio members; and
 - 36 -- 17 public members, to be appointed by the Governor no later
37 than the 30th day after the effective date of the bill, as follows: one
38 person each upon the recommendation of the New Jersey Hospital
39 Association, the New Jersey Council of Teaching Hospitals, the
40 Health Care Association of New Jersey, the Medical Society of
41 New Jersey, the University of Medicine and Dentistry of New
42 Jersey, the New Jersey Institute of Technology, the New Jersey
43 Association of Health Plans, the New Jersey Pharmacists
44 Association, the New Jersey State Nurses Association, the New
45 Jersey Primary Care Association, the Mental Health Association in
46 New Jersey, the New Jersey Health Care Quality Institute, the New
47 Jersey Business and Industry Association, the New Jersey State
48 AFL-CIO, AARP New Jersey, and a Quality Improvement

- 1 Organization located in New Jersey that contracts with the federal
2 Centers for Medicare and Medicaid Services to improve the
3 efficiency and effectiveness, economy, and quality of services
4 provided to Medicare beneficiaries, respectively; and one member
5 of the public with a demonstrated expertise in issues relating to the
6 work of the commission.
- 7 • The public members are to serve for a term of three years; except
8 that, of the public members first appointed, seven are to serve for
9 a term of three years, six for a term of two years, and four for a
10 term of one year. Vacancies in the membership of the
11 commission will be filled in the same manner as the original
12 appointments were made.
 - 13 • The commission is to appoint a qualified full-time executive
14 director, who will serve as secretary to the commission and may
15 hire properly qualified employees, within the limits of funds
16 appropriated or otherwise made available to the commission.
17 This staff will be employed in the unclassified service of the Civil
18 Service, but employees performing stenographic or clerical duties
19 are to be in the career service and appointed pursuant to Title 11A
20 of the New Jersey Statutes.
 - 21 • The commission may appoint, retain, or employ consultants on a
22 contract basis or otherwise, who are deemed necessary, and as
23 may be within the limits of funds appropriated or otherwise made
24 available to it for its purposes.
 - 25 • The commission is to meet at least quarterly and may meet at
26 other times at the call of the chairman.
 - 27 • The commission may:
 - 28 -- make and enter into contracts to purchase services and
29 supplies;
 - 30 -- develop and submit a proposed budget;
 - 31 -- accept gifts and charitable contributions;
 - 32 -- apply for, receive, and expend grants from governmental or
33 private nonprofit sources;
 - 34 -- adopt regulations, pursuant to the "Administrative Procedure
35 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the
36 purposes of the bill;
 - 37 -- establish charges for and collect payments from persons and
38 entities for the provision of services or as the commission otherwise
39 determines necessary to effectuate the purposes of the bill;
 - 40 -- receive and expend appropriations;
 - 41 -- enter into a reimbursable work program with other State
42 government agencies or private entities under which funds are
43 transferred from the other agencies or entities to the commission for
44 the performance of activities pursuant to the bill; and
 - 45 -- provide such other services and perform such other functions
46 as the commission deems necessary to fulfill its responsibilities
47 under the bill.

A4044 CONAWAY, CHIVUKULA

10

- 1 • The commission is directed, no later than 18 months after its
2 initial meeting and annually thereafter, to report to the Governor
3 and the Legislature concerning its activities and the status of, and
4 actions taken, regarding development, implementation, and
5 oversight of the Statewide health information technology plan.
6 The commission is to include in that report any findings and
7 recommendations that the commission desires to make, along
8 with any legislative bills that it desires to recommend for
9 adoption by the Legislature.

ASSEMBLY HEALTH AND SENIOR SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4044

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 10, 2007

The Assembly Health and Senior Services Committee reports favorably and with committee amendments Assembly Bill No. 4044.

As amended by the committee, this bill, which is designated the “New Jersey Health Information Technology Promotion Act,” provides for the development, implementation, and oversight of a Statewide health information technology plan and establishes the New Jersey Health Information Technology Commission for that purpose.

The bill provides specifically as follows:

- It is the public policy of the State to promote, encourage, facilitate, and support the development, utilization, and improvement of health information technology, including the effectuation of a secure, integrated and interoperative, Statewide health care information infrastructure in accordance with a Statewide health information technology plan that is developed and implemented pursuant to this bill.
- There is established the New Jersey Health Information Technology Commission. For the purpose of complying with the provisions of Article V, Section IV, paragraph 1 of the New Jersey Constitution, the commission is established within the Department of Health and Senior Services, but, notwithstanding the establishment, the commission is to be independent of any supervision or control by the department or any board or officer thereof.
- The commission is to assume primary responsibility within State government for the development, implementation and oversight of the Statewide health information technology plan. The plan is to be designed to establish a secure, integrated and interoperative, Statewide electronic health information infrastructure for the sharing of electronic health information among health care facilities, health care professionals, public and private payers, and patients, which complies with all State and federal privacy requirements and links all components of the health care delivery system through secure and appropriate exchanges of health information for the purpose of enhancing health care quality, patient safety, communication of patient information, disease management capabilities, patient and

provider satisfaction, clinical and administrative cost reductions, fraud and abuse prevention and detection, and public health emergency preparedness.

- In developing and implementing the plan, the commission, at a minimum, is to give consideration to the need and means to:
 - educate the general public and health care professionals about the value of an electronic health infrastructure for improving patient care;
 - support the effective, efficient, Statewide use of electronic health information in patient care, health care policymaking, clinical research, health care financing, and continuous quality improvements;
 - promote the use of national standards for the development of an interoperative system, including provisions relating to security, privacy, data content, structures and format, vocabulary, and transmission protocols;
 - make strategic investments in equipment and other infrastructure elements that will facilitate the ongoing development of a Statewide infrastructure;
 - provide funding for the ongoing development and maintenance costs of a Statewide health information system, which is to be known as the New Jersey Health Information Bank;
 - incorporate existing health care information technology initiatives in order to avoid incompatible systems and duplicative efforts;
 - integrate the components of the New Jersey Health Information Security and Privacy Collaboration in the Department of Banking and Insurance;
 - address issues related to data ownership, governance, and confidentiality and security of patient information;
 - promote the deployment of health information technology in primary care provider practices; and
 - provide for the deployment of open-source software to effectuate the purposes of deploying health information technology in primary care provider practices.
- The commission will be comprised of 17 members as follows:
 - the Commissioners of Health and Senior Services, Banking and Insurance, and Human Services, and the State Treasurer, or their designees, as ex officio members; and
 - 13 public members, to be appointed by the Governor no later than the 60th day after the effective date of the bill, as follows: three physicians engaged in private practice in this State, one of whom is a pediatrician and one a psychiatrist; two persons who represent acute care hospitals in this State, one of whom represents a teaching hospital and the other a non-teaching hospital; a registered professional nurse practicing in this State, a pharmacist practicing in this State; a person who represents a clinical laboratory operating in this State; an attorney practicing in this State with demonstrated expertise in health privacy

issues; a person who represents health benefits plans operating in this State; a person who represents a Quality Improvement Organization located in New Jersey that contracts with the federal Centers for Medicare and Medicaid Services (CMS) to improve the efficiency and effectiveness, economy, and quality of services provided to Medicare beneficiaries; and two members of the public with a demonstrated professional expertise in issues relating to the work of the commission.

- The public members are to serve for a term of three years; except that, of the public members first appointed, five are to serve for a term of three years, five for a term of two years, and three for a term of one year. Vacancies in the membership of the commission will be filled in the same manner as the original appointments were made.
- The commission is to appoint a qualified full-time executive director, who will serve as secretary to the commission and may hire properly qualified employees, within the limits of funds appropriated or otherwise made available to the commission. This staff will be employed in the unclassified service of the Civil Service, but employees performing stenographic or clerical duties are to be in the career service and appointed pursuant to Title 11A of the New Jersey Statutes.
- The commission may appoint, retain, or employ consultants on a contract basis or otherwise, who are deemed necessary, and as may be within the limits of funds appropriated or otherwise made available to it for its purposes.
- The commission is to meet at least quarterly and may meet at other times at the call of the chairman.
- The commission may:
 - make and enter into contracts to purchase services and supplies;
 - develop and submit a proposed budget;
 - accept gifts and charitable contributions;
 - apply for, receive, and expend grants from governmental or private nonprofit sources;
 - adopt regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of the bill;
 - establish charges for and collect payments from persons and entities for the provision of services or as the commission otherwise determines necessary to effectuate the purposes of the bill;
 - receive and expend appropriations;
 - enter into a reimbursable work program with other State government agencies or private entities under which funds are transferred from the other agencies or entities to the commission for the performance of activities pursuant to the bill; and
 - provide such other services and perform such other functions as the commission deems necessary to fulfill its responsibilities under the bill.

- The commission is directed, no later than 18 months after its initial meeting and annually thereafter, to report to the Governor and the Legislature concerning its activities and the status of, and actions taken, regarding development, implementation, and oversight of the Statewide health information technology plan. The commission is to include in that report any findings and recommendations that the commission desires to make, along with any legislative bills that it desires to recommend for adoption by the Legislature.

COMMITTEE AMENDMENTS:

The committee amendments to the bill:

- provide that the Statewide health information system, for which the New Jersey Health Information Technology Commission is to provide funding for ongoing development and maintenance costs, is to be known as the New Jersey Health Information Bank;
- specify that the electronic health information infrastructure to be established under the Statewide health information technology plan is to be interoperative and Statewide in nature;
- add fraud and abuse prevention and detection to the list of health care delivery system qualities that this electronic health information infrastructure is to enhance;
- expand the list of issues to which the commission is directed to give consideration to the need and means to implement, in developing the Statewide health information technology plan, to include: promoting the deployment of health information technology in primary care provider practices; and providing for the deployment of open-source software to effectuate the purposes of deploying health information technology in those practices;
- require the commission members to be appointed no later than the 60th day (rather than the 30th day) after the effective date of the substitute;
- require the commission to organize no later than the 45th day (rather than the 30th day) after the appointment of its members;
- reduce the number of public members of the commission from 17 to 13 (and the total number of commission members from 21 to 17); and
- revise the composition of the public members to include: three physicians engaged in private practice in this State, including a pediatrician and a psychiatrist; two persons who represent acute care hospitals in this State, one representing a teaching hospital and the other a non-teaching hospital; a registered professional nurse practicing in this State, a pharmacist practicing in this State; a person who represents a clinical laboratory operating in this State; an attorney practicing in this State with demonstrated expertise in health privacy issues; a person who represents health benefits plans operating in this State; a person who represents a Quality Improvement Organization located in New Jersey that contracts with

CMS to improve the efficiency and effectiveness, economy, and quality of services provided to Medicare beneficiaries; and two members of the public with a demonstrated professional expertise in issues relating to the work of the commission.

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4044

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 17, 2007

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with amendments Assembly Bill No. 4044(1R).

As amended by the committee, this bill will enable the State to realize its public policy of supporting the utilization and improvement of health information technology and electronic health records, by providing for the development of a Statewide health information technology plan that will ultimately enable appropriate personal health information to be electronically available to patients and their treating health care professionals.

The bill establishes the New Jersey Health Information Technology Commission in the Department of Health and Senior Services (DHSS). This commission is to collaborate with the Office for the Development, Implementation, and Deployment of Electronic Health Information Technology in New Jersey (Office for e-HIT) in the Department of Banking and Insurance (DOBI), which this bill also establishes, in developing a plan for a secure, integrated, interoperative, and Statewide electronic health information infrastructure.

HEALTH INFORMATION TECHNOLOGY COMMISSION

The commission is established in DHSS, but it is to be independent of any supervision or control by the department or any board or officer thereof. The commission is to collaborate with the Office for e-HIT established pursuant to this bill, concerning all activities related to the development, implementation, and oversight of the plan, and is to be responsible for approving it.

The commission is to, at a minimum, consider the following with respect to the plan:

- the importance of the education of the general public and health care professionals about the value of an electronic health infrastructure for improving the delivery of patient care;

- the means for creating effective, efficient, Statewide use of electronic health information in patient care, health care policymaking, clinical research, health care financing, and continuous quality improvements;
- the means for promoting the use of national standards for the development of an interoperative system, including provisions relating to security, privacy, data content, structures and format, vocabulary, and transmission protocols;
- the nature of proper strategic investments in equipment and other infrastructure elements that will facilitate the ongoing development of a Statewide infrastructure;
- funding needs for the ongoing development of health information technology projects;
- actions needed to incorporate existing health care information technology initiatives into the plan in order to avoid incompatible systems and duplicative efforts;
- the proper means for the review and integration of the recommendations, findings, and conclusions of the New Jersey Health Information Security and Privacy Collaboration;
- the importance of recommending steps for the proper resolution of issues related to data ownership, governance, and confidentiality and security of patient information;
- the importance of promoting the deployment of health information technology in primary care provider settings; and
- the roles that the development and use of open-source electronic medical record software and application service provider software can play in primary care provider settings.

The commission is to be comprised of 19 members as follows:

- The Commissioners of Health and Senior Services, Banking and Insurance, Children and Families, and Human Services, and the State Treasurer, or their designees, who shall serve ex officio; and
- 14 public members, who shall be appointed by the Governor no later than the 60th day after the effective date, as follows:
 - three physicians engaged in private practice in this State, one of whom is a pediatrician and one a psychiatrist;
 - two persons who represent acute care hospitals in this State, one a teaching hospital and the other a non-teaching hospital;
 - a registered professional nurse practicing in this State;
 - a pharmacist practicing in this State;
 - a person who represents a clinical laboratory operating in this State;
 - an attorney practicing in this State with demonstrated expertise in health privacy issues;
 - a person who represents a health insurance carrier operating in this State;

-- a person who represents a federally-designated Quality Improvement Organization located in the State; and

-- three members of the public with a demonstrated professional expertise in issues relating to the work of the commission, including one member with expertise in electronic health information technology.

The Governor is to designate a public member as chair of the commission. The public members shall serve for a term of three years. The commission is to meet and confer with the Office for e-HIT at least quarterly and may meet at other times at the call of the commission chair.

In addition to any other powers authorized by law, the commission shall have the authority to: make and enter into contracts to purchase services and supplies; develop and submit a proposed budget, not to exceed \$1 million annually, to the Commissioner of Health and Senior Services, which budget shall be subject to approval by the commissioner; apply for, receive, and expend grants from governmental or private nonprofit sources; recommend to DOBI the necessary charges and assessments to be levied to collect payments from persons and entities for the provision of services or as the Office for e-HIT otherwise determines necessary; receive and expend appropriations; provide such other services and perform such other functions as the commission deems necessary to fulfill its responsibilities; and appoint, retain, or employ consultants on a contract basis or otherwise, who are deemed necessary, and as may be within the limits of funds appropriated or otherwise made available.

The commission shall appoint a full-time executive director, and the executive director may hire properly qualified employees, within the limits of funds appropriated or otherwise made available to the commission.

No later than 18 months after its initial meeting and annually thereafter, the commission is to submit a joint report with the Office for e-HIT to the Governor and the Legislature concerning its activities and the status of the Statewide health information technology plan, and is to include in that report any findings and recommendations that it desires to make, along with any legislative bills that it desires to recommend.

The commission is to be funded by DOBI from such fines, sanctions, and civil penalties assessed by the department on entities regulated by DOBI pursuant to subtitle 3 of Title 17 of the Revised Statutes, Title 17B of the New Jersey Statutes, and P.L.1973, c.337 (C.26:2J-1 et seq.).

The commission will sunset five years after the date of enactment.

OFFICE FOR E-HIT AND HEALTH INFORMATION TECHNOLOGY PLAN

The bill establishes the Office for e-HIT in DOBI and charges it with collaborating with the Health Information Technology Commission in developing, implementing, and overseeing the operation of the Statewide health information technology plan. The Office for e-HIT is to submit the plan to the commission for its review and approval.

No later than 18 months after its initial meeting and annually thereafter, the Office for e-HIT is to submit a joint report with the commission to the Governor and the Legislature concerning its activities and the status of the plan. The office shall include in that report any findings and recommendations that it desires to make, along with any legislative bills that it desires to recommend.

The Statewide Health Information Technology Plan is to provide for, but not be limited to, a mechanism designed to support the establishment of a secure, integrated, interoperable, and Statewide electronic health information infrastructure for the sharing of electronic health information and electronic health records among health care facilities, health care professionals, public and private payers, and patients.

The plan is to comply with all State and federal privacy requirements and link all components of the health care delivery system through secure and appropriate exchanges of health information for the purpose of enhancing health care quality, patient safety, communication of patient information, disease management capabilities, patient and provider satisfaction, clinical and administrative cost reductions, fraud and abuse prevention and detection, and public health emergency preparedness.

The plan shall also provide for the designation of a custodian for all protected health information that meets federal and State privacy and security laws and is accredited by a national standard setting organization recognized by DOBI.

The bill is to take effect 180 days after enactment, except that the Commissioner of Banking and Insurance may take such anticipatory administrative action in advance thereof as shall be necessary for its implementation.

COMMITTEE AMENDMENTS

The committee amendments:

- change the title of the bill to the “New Jersey Health Information Technology Act” (Section 1);
- make minor revisions to the Legislative findings, and replace subsection i. to state that “it is the policy of the State to lessen the expenditure of resources on unnecessarily repeated medical tests, while maintaining the highest quality of medical care for our citizens” (Section 2);

- add a definition of “Office for e-HIT” (Section 3);
- add in the statement of public policy reference to electronic health records (Section 4);
- provide that the commission shall collaborate with the Office for e-HIT concerning all activities related to the development, implementation, and oversight of the plan, and shall be responsible for approving the plan; and make various technical changes to the items the commission is to consider when providing advice to the Office for e-HIT on the development of the plan (Section 5b.);
- require the commission’s membership to include a person who represents a health insurance carrier operating in the State (rather than a health benefits plan, as the bill originally stated), add to the commission’s membership the Commissioner of Children and Families, and one member with expertise in electronic health information technology, and require the Governor to appoint a public member as commission chair (Section 6.a.);
- provide that the commission is to confer with the Office for e-HIT at least quarterly (Section 6.e.);
- revise the commission’s powers to add that it may recommend to DOBI necessary charges and assessments to effectuate the purposes of the bill, and delete the authority to promulgate regulations and enter into a reimbursable work program with other State agencies or private entities) (Section 6.f.);
- require the commission to collaborate with the Office for e-HIT and prepare its report to the Governor and Legislature jointly with the Office for e-HIT (Section 6.g.);
- require the commission to develop and submit a proposed budget to the Commissioner of DHSS, which budget shall be subject to approval by the commissioner (Section 6.h.);
- provide that the commission shall annually certify to the State Treasurer and the Commissioner of DOBI an amount allocable to its expenses for the preceding fiscal year, not to exceed \$1 million annually, which amount shall be transferred to the commission by the State Treasurer from the amounts assessed and collected by DOBI (Section 7);
- establish the Office for e-HIT in DOBI and set forth its duties (Section 8);
- direct DOBI to fund the approved budget of the commission from fines, sanctions, and civil penalties assessed by DOBI on entities regulated by it (Section 9);
- change the effective date to the 180th day after enactment, rather than immediately (Section 11); and
- provide that the commission shall expire five years after the date of enactment.

As amended, this bill is identical to the Senate Committee Substitute for Senate Bill No. 2728 (Vitale/Buono), which the committee also reported favorably on this date.

SENATE, No. 2728

STATE OF NEW JERSEY
212th LEGISLATURE

INTRODUCED MAY 21, 2007

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator BARBARA BUONO

District 18 (Middlesex)

Co-Sponsored by:

Senator Weinberg

SYNOPSIS

“New Jersey Health Information Technology Promotion Act”; establishes New Jersey Health Information Technology Commission and provides for Statewide health information technology plan.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/9/2007)

1 AN ACT establishing the New Jersey Health Information
2 Technology Commission and supplementing Title 26 of the
3 Revised Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. This act shall be known and may be cited as the “New Jersey
9 Health Information Technology Promotion Act.”

10
11 2. The Legislature finds and declares that:

12 a. It is in the public interest for New Jersey residents to have
13 all appropriate personal health information available to them and to
14 their treating health care professionals in a medical office, hospital
15 emergency room, other health care facility setting, or pharmacy;

16 b. Natural disasters and other public health emergencies have
17 demonstrated the need for timely, secure, and accessible health
18 information, in particular for our most vulnerable populations,
19 including senior citizens, persons with disabilities, and those with
20 limited financial means;

21 c. Health information technology has great potential as one
22 means of furthering progress towards achieving affordable, safe,
23 and accessible health care for all persons by: ensuring that health
24 information is available at the point of care for all patients, while
25 protecting the confidentiality and privacy of the information;
26 improving safety, reducing medical errors, and avoiding duplicative
27 and unnecessary medical procedures; improving coordination of
28 care among hospitals, clinics, nursing homes, home health agencies,
29 pharmacies, and health care professionals; and providing consumers
30 with their own health information in order to encourage greater
31 participation in decisions concerning their own health care;

32 d. The federal Department of Health and Human Services has
33 estimated that health information technology, in addition to
34 improving the quality of chronic care management and reducing
35 medical errors, could achieve potential savings of almost 10% of
36 total health care spending in the United States;

37 e. There are many different and conflicting standards for
38 collecting and reporting personal health information within the
39 health care community, which currently hinders the appropriate
40 sharing of patient health care information;

41 f. State leadership can promote public policy, encourage
42 coordinated efforts in the private health care sector, further public
43 and private partnerships, and maximize federal and regional
44 financial participation, in support of adopting an electronic health
45 information infrastructure;

46 g. The electronic health information infrastructure should be
47 implemented in the context of a Statewide health information
48 technology plan that includes standards and protocols designed to

1 promote patient education, patient privacy, physician best practices,
2 electronic connectivity to health care data, and generally a more
3 efficient and less costly means of delivering quality health care in
4 New Jersey, in order to provide for an interoperative environment
5 among health care providers, health care payers, employers, and
6 patients in New Jersey;

7 h. It is time for this State to clearly and unequivocally move its
8 public policy in the direction of establishing an electronic health
9 information infrastructure through a vehicle that provides for a
10 collaborative planning and implementation strategy and includes the
11 relevant public and private stakeholders in developing and
12 achieving a sustainable model for an electronic health information
13 network for New Jersey; and

14 i. The vehicle for developing and achieving this model will be
15 the New Jersey Health Information Technology Commission
16 established pursuant to this bill.

17

18 3. As used in this act:

19 “Commission” means the New Jersey Health Information
20 Technology Commission established pursuant to this act.

21 “Health information technology” means technology that is used
22 to electronically collect, store, retrieve, and transfer clinical,
23 administrative, and financial health information.

24 “Interoperative” means that entities are able to exchange data
25 accurately, effectively, securely, and consistently with different
26 information technology systems, software applications, and
27 networks in such a way that the clinical or operational purposes and
28 meaning of the data are preserved and unaltered.

29 “Plan” means the Statewide health information technology plan
30 that is developed and implemented pursuant to this act.

31

32 4. It is the public policy of this State to promote, encourage,
33 facilitate, and support the development, utilization, and
34 improvement of health information technology, including the
35 effectuation of a secure, integrated and interoperative, Statewide
36 health care information infrastructure in accordance with a
37 Statewide health information technology plan that is developed and
38 implemented pursuant to this act.

39

40 5. a. There is established the New Jersey Health Information
41 Technology Commission. For the purpose of complying with the
42 provisions of Article V, Section IV, paragraph 1 of the New Jersey
43 Constitution, the commission is established within the Department
44 of Health and Senior Services, but, notwithstanding the
45 establishment, the commission shall be independent of any
46 supervision or control by the department or any board or officer
47 thereof.

1 b. The commission shall assume primary responsibility within
2 State government for the development, implementation, and
3 oversight of the Statewide health information technology plan. The
4 plan shall be designed to establish a secure, integrated and
5 interoperative, Statewide electronic health information
6 infrastructure for the sharing of electronic health information
7 among health care facilities, health care professionals, public and
8 private payers, and patients, which complies with all State and
9 federal privacy requirements and links all components of the health
10 care delivery system through secure and appropriate exchanges of
11 health information for the purpose of enhancing health care quality,
12 patient safety, communication of patient information, disease
13 management capabilities, patient and provider satisfaction, clinical
14 and administrative cost reductions, fraud and abuse prevention and
15 detection, and public health emergency preparedness.

16 c. In developing and implementing the plan, the commission
17 shall, at a minimum, give consideration to the need and means to:

18 (1) educate the general public and health care professionals
19 about the value of an electronic health infrastructure for improving
20 patient care;

21 (2) support the effective, efficient, Statewide use of electronic
22 health information in patient care, health care policymaking,
23 clinical research, health care financing, and continuous quality
24 improvements;

25 (3) promote the use of national standards for the development of
26 an interoperative system, including provisions relating to security,
27 privacy, data content, structures and format, vocabulary, and
28 transmission protocols;

29 (4) make strategic investments in equipment and other
30 infrastructure elements that will facilitate the ongoing development
31 of a Statewide infrastructure;

32 (5) provide funding for the ongoing development and
33 maintenance costs of a Statewide health information system, which
34 shall be known as the New Jersey Health Information Bank;

35 (6) incorporate existing health care information technology
36 initiatives in order to avoid incompatible systems and duplicative
37 efforts;

38 (7) integrate the components of the New Jersey Health
39 Information Security and Privacy Collaboration in the Department
40 of Banking and Insurance;

41 (8) address issues related to data ownership, governance, and
42 confidentiality and security of patient information;

43 (9) promote the deployment of health information technology in
44 primary care provider practices; and

45 (10) provide for the deployment of open-source software to
46 effectuate the purposes of paragraph (9) of this subsection.

1 6. a. The commission shall be comprised of 17 members as
2 follows:

3 (1) the Commissioners of Health and Senior Services, Banking
4 and Insurance, and Human Services, and the State Treasurer, or
5 their designees, who shall serve ex officio; and

6 (2) 13 public members, who shall be appointed by the Governor
7 no later than the 60th day after the effective date of this act, as
8 follows: three physicians engaged in private practice in this State,
9 one of whom is a pediatrician and one a psychiatrist; two persons
10 who represent acute care hospitals in this State, one of whom
11 represents a teaching hospital and the other a non-teaching hospital;
12 a registered professional nurse practicing in this State, a pharmacist
13 practicing in this State; a person who represents a clinical
14 laboratory operating in this State; an attorney practicing in this
15 State with demonstrated expertise in health privacy issues; a person
16 who represents health benefits plans operating in this State; a
17 person who represents a Quality Improvement Organization located
18 in New Jersey that contracts with the federal Centers for Medicare
19 and Medicaid Services to improve the efficiency and effectiveness,
20 economy, and quality of services provided to Medicare
21 beneficiaries; and two members of the public with a demonstrated
22 professional expertise in issues relating to the work of the
23 commission.

24 b. The public members shall serve for a term of three years;
25 except that, of the public members first appointed, five shall serve
26 for a term of three years, five for a term of two years, and three for
27 a term of one year. Vacancies in the membership of the
28 commission shall be filled in the same manner as the original
29 appointments were made.

30 c. The commission shall organize as soon as may be
31 practicable, but no later than the 45th day after the appointment of
32 its members, and shall select a chairperson from among the public
33 members. The public members shall serve without compensation,
34 but may be reimbursed for necessary expenses incurred in the
35 performance of their duties as provided in subsection g. of this
36 section.

37 d. A majority of the total authorized membership of the
38 commission shall constitute a quorum at any meeting thereof.
39 Action may be taken and motions and resolutions adopted by the
40 commission at any meeting of the commission by the affirmative
41 vote of a majority of the quorum of the members who are present.
42 A vacancy in the membership of the commission shall not impair
43 the right of a quorum of the members to exercise all the powers and
44 perform all the duties of the commission.

45 e. (1) The commission shall appoint a full-time executive
46 director, who shall serve as secretary to the commission. The
47 executive director shall serve at the pleasure of the commission and
48 shall be qualified by training and experience to perform the duties

1 of the position. The executive director shall be in the unclassified
2 service of the Civil Service and may hire properly qualified
3 employees, within the limits of funds appropriated or otherwise
4 made available to the commission, who shall also be employed in
5 the unclassified service of the Civil Service; except that employees
6 performing stenographic or clerical duties shall be in the career
7 service and appointed pursuant to Title 11A of the New Jersey
8 Statutes.

9 (2) The commission may appoint, retain, or employ consultants
10 on a contract basis or otherwise, who are deemed necessary, and as
11 may be within the limits of funds appropriated or otherwise made
12 available to it for its purposes.

13 (3) The commission shall be entitled to the assistance and
14 services of the employees of any State department, board, bureau,
15 commission or agency as it may require and as may be available to
16 its for its purposes, and to incur traveling and other miscellaneous
17 expenses necessary to perform its duties, within the limits of funds
18 appropriated or otherwise made available to it for its purpose.

19 f. The commission shall meet at least quarterly and may meet
20 at other times at the call of the chairman. The commission shall in
21 all respects comply with the provisions of the "Open Public
22 Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.).

23 g. In addition to any other powers authorized by law, the
24 commission shall have the authority, in accordance with State law,
25 to:

26 (1) make and enter into contracts to purchase services and
27 supplies;

28 (2) develop and submit a proposed budget;

29 (3) accept gifts and charitable contributions;

30 (4) apply for, receive, and expend grants from governmental or
31 private nonprofit sources;

32 (5) adopt regulations, pursuant to the "Administrative Procedure
33 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the
34 purposes of this act;

35 (6) establish charges for and collect payments from persons and
36 entities for the provision of services or as the commission otherwise
37 determines necessary to effectuate the purposes of this act;

38 (7) receive and expend appropriations;

39 (8) enter into a reimbursable work program with other State
40 government agencies or private entities under which funds are
41 transferred from the other agencies or entities to the commission for
42 the performance of activities pursuant to this act; and

43 (9) provide such other services and perform such other functions
44 as the commission deems necessary to fulfill its responsibilities
45 under this act.

46 h. The commission shall, no later than 18 months after its
47 initial meeting and annually thereafter, report to the Governor, and
48 to the Legislature pursuant to section 2 of P.L.1991, c.164

1 (C.52:14-19.1), concerning its activities and the status of, and
2 actions taken regarding development, implementation, and
3 oversight of the Statewide health information technology plan. The
4 commission shall include in that report any findings and
5 recommendations that it desires to make, along with any legislative
6 bills that it desires to recommend for adoption by the Legislature.

7

8 7. This act shall take effect immediately.

9

10

11

STATEMENT

12

13 This bill, which is designated the “New Jersey Health
14 Information Technology Promotion Act,” provides for the
15 development, implementation, and oversight of a Statewide health
16 information technology plan and establishes the New Jersey Health
17 Information Technology Commission for that purpose.

18 The bill provides specifically as follows:

19 • It is the public policy of the State to promote, encourage,
20 facilitate, and support the development, utilization, and
21 improvement of health information technology, including the
22 effectuation of a secure, integrated and interoperative, Statewide
23 health care information infrastructure in accordance with a
24 Statewide health information technology plan that is developed
25 and implemented pursuant to this bill.

26 • There is established the New Jersey Health Information
27 Technology Commission. For the purpose of complying with the
28 provisions of Article V, Section IV, paragraph 1 of the New
29 Jersey Constitution, the commission is established within the
30 Department of Health and Senior Services, but, notwithstanding
31 the establishment, the commission is to be independent of any
32 supervision or control by the department or any board or officer
33 thereof.

34 • The commission is to assume primary responsibility within State
35 government for the development, implementation and oversight
36 of the Statewide health information technology plan. The plan is
37 to be designed to establish a secure, integrated and interoperative,
38 Statewide electronic health information infrastructure for the
39 sharing of electronic health information among health care
40 facilities, health care professionals, public and private payers, and
41 patients, which complies with all State and federal privacy
42 requirements and links all components of the health care delivery
43 system through secure and appropriate exchanges of health
44 information for the purpose of enhancing health care quality,
45 patient safety, communication of patient information, disease
46 management capabilities, patient and provider satisfaction,
47 clinical and administrative cost reductions, fraud and abuse

- 1 prevention and detection, and public health emergency
2 preparedness.
- 3 • In developing and implementing the plan, the commission, at a
4 minimum, is to give consideration to the need and means to:
- 5 -- educate the general public and health care professionals about
6 the value of an electronic health infrastructure for improving patient
7 care;
- 8 -- support the effective, efficient, Statewide use of electronic
9 health information in patient care, health care policymaking,
10 clinical research, health care financing, and continuous quality
11 improvements;
- 12 -- promote the use of national standards for the development of
13 an interoperative system, including provisions relating to security,
14 privacy, data content, structures and format, vocabulary, and
15 transmission protocols;
- 16 -- make strategic investments in equipment and other
17 infrastructure elements that will facilitate the ongoing development
18 of a Statewide infrastructure;
- 19 -- provide funding for the ongoing development and
20 maintenance costs of a Statewide health information system, which
21 is to be known as the New Jersey Health Information Bank;
- 22 -- incorporate existing health care information technology
23 initiatives in order to avoid incompatible systems and duplicative
24 efforts;
- 25 -- integrate the components of the New Jersey Health
26 Information Security and Privacy Collaboration in the Department
27 of Banking and Insurance;
- 28 -- address issues related to data ownership, governance, and
29 confidentiality and security of patient information;
- 30 -- promote the deployment of health information technology in
31 primary care provider practices; and
- 32 -- provide for the deployment of open-source software to
33 effectuate the purposes of deploying health information technology
34 in primary care provider practices.
- 35 • The commission will be comprised of 17 members as follows:
- 36 -- the Commissioners of Health and Senior Services, Banking
37 and Insurance, and Human Services, and the State Treasurer, or
38 their designees, as ex officio members; and
- 39 -- 13 public members, to be appointed by the Governor no later
40 than the 60th day after the effective date of the bill, as follows:
41 three physicians engaged in private practice in this State, one of
42 whom is a pediatrician and one a psychiatrist; two persons who
43 represent acute care hospitals in this State, one of whom represents
44 a teaching hospital and the other a non-teaching hospital; a
45 registered professional nurse practicing in this State, a pharmacist
46 practicing in this State; a person who represents a clinical
47 laboratory operating in this State; an attorney practicing in this
48 State with demonstrated expertise in health privacy issues; a person

- 1 who represents health benefits plans operating in this State; a
2 person who represents a Quality Improvement Organization located
3 in New Jersey that contracts with the federal Centers for Medicare
4 and Medicaid Services (CMS) to improve the efficiency and
5 effectiveness, economy, and quality of services provided to
6 Medicare beneficiaries; and two members of the public with a
7 demonstrated professional expertise in issues relating to the work of
8 the commission.
- 9 • The public members are to serve for a term of three years; except
10 that, of the public members first appointed, five are to serve for a
11 term of three years, five for a term of two years, and three for a
12 term of one year. Vacancies in the membership of the
13 commission will be filled in the same manner as the original
14 appointments were made.
 - 15 • The commission is to appoint a qualified full-time executive
16 director, who will serve as secretary to the commission and may
17 hire properly qualified employees, within the limits of funds
18 appropriated or otherwise made available to the commission.
19 This staff will be employed in the unclassified service of the Civil
20 Service, but employees performing stenographic or clerical duties
21 are to be in the career service and appointed pursuant to Title 11A
22 of the New Jersey Statutes.
 - 23 • The commission may appoint, retain, or employ consultants on a
24 contract basis or otherwise, who are deemed necessary, and as
25 may be within the limits of funds appropriated or otherwise made
26 available to it for its purposes.
 - 27 • The commission is to meet at least quarterly and may meet at
28 other times at the call of the chairman.
 - 29 • The commission may:
 - 30 -- make and enter into contracts to purchase services and
31 supplies;
 - 32 -- develop and submit a proposed budget;
 - 33 -- accept gifts and charitable contributions;
 - 34 -- apply for, receive, and expend grants from governmental or
35 private nonprofit sources;
 - 36 -- adopt regulations, pursuant to the "Administrative Procedure
37 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the
38 purposes of the bill;
 - 39 -- establish charges for and collect payments from persons and
40 entities for the provision of services or as the commission otherwise
41 determines necessary to effectuate the purposes of the bill;
 - 42 -- receive and expend appropriations;
 - 43 -- enter into a reimbursable work program with other State
44 government agencies or private entities under which funds are
45 transferred from the other agencies or entities to the commission for
46 the performance of activities pursuant to the bill; and

- 1 -- provide such other services and perform such other functions
2 as the commission deems necessary to fulfill its responsibilities
3 under the bill.
- 4 • The commission is directed, no later than 18 months after its
5 initial meeting and annually thereafter, to report to the Governor
6 and the Legislature concerning its activities and the status of, and
7 actions taken, regarding development, implementation, and
8 oversight of the Statewide health information technology plan.
9 The commission is to include in that report any findings and
10 recommendations that the commission desires to make, along
11 with any legislative bills that it desires to recommend for
12 adoption by the Legislature.

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR
SENATE , No. 2728

STATE OF NEW JERSEY

DATED: DECEMBER 17, 2007

The Senate Health, Human Services and Senior Citizens Committee reports favorably a Senate Committee Substitute for Senate Bill No. 2728.

This substitute will enable the State to realize its public policy of supporting the utilization and improvement of health information technology and electronic health records, by providing for the development of a Statewide health information technology plan that will ultimately enable appropriate personal health information to be electronically available to patients and their treating health care professionals.

The substitute establishes the New Jersey Health Information Technology Commission in the Department of Health and Senior Services (DHSS). This commission is to collaborate with the Office for the Development, Implementation, and Deployment of Electronic Health Information Technology in New Jersey (Office for e-HIT) in the Department of Banking and Insurance (DOBI), which this substitute also establishes, in developing a plan for a secure, integrated, interoperative, and Statewide electronic health information infrastructure.

HEALTH INFORMATION TECHNOLOGY COMMISSION

The commission is established in DHSS, but it is to be independent of any supervision or control by the department or any board or officer thereof. The commission is to collaborate with the Office for e-HIT established pursuant to this substitute, concerning all activities related to the development, implementation, and oversight of the plan, and is to be responsible for approving it.

The commission is to, at a minimum, consider the following with respect to the plan:

- the importance of the education of the general public and health care professionals about the value of an electronic health infrastructure for improving the delivery of patient care;
- the means for creating effective, efficient, Statewide use of electronic health information in patient care, health care

policymaking, clinical research, health care financing, and continuous quality improvements;

- the means for promoting the use of national standards for the development of an interoperative system, including provisions relating to security, privacy, data content, structures and format, vocabulary, and transmission protocols;
- the nature of proper strategic investments in equipment and other infrastructure elements that will facilitate the ongoing development of a Statewide infrastructure;
- funding needs for the ongoing development of health information technology projects;
- actions needed to incorporate existing health care information technology initiatives into the plan in order to avoid incompatible systems and duplicative efforts;
- the proper means for the review and integration of the recommendations, findings, and conclusions of the New Jersey Health Information Security and Privacy Collaboration;
- the importance of recommending steps for the proper resolution of issues related to data ownership, governance, and confidentiality and security of patient information;
- the importance of promoting the deployment of health information technology in primary care provider settings; and
- the roles that the development and use of open-source electronic medical record software and application service provider software can play in primary care provider settings.

The commission is to be comprised of 19 members as follows:

- The Commissioners of Health and Senior Services, Banking and Insurance, Children and Families, and Human Services, and the State Treasurer, or their designees, who shall serve ex officio; and
- 14 public members, who shall be appointed by the Governor no later than the 60th day after the effective date, as follows:
 - three physicians engaged in private practice in this State, one of whom is a pediatrician and one a psychiatrist;
 - two persons who represent acute care hospitals in this State, one a teaching hospital and the other a non-teaching hospital;
 - a registered professional nurse practicing in this State;
 - a pharmacist practicing in this State;
 - a person who represents a clinical laboratory operating in this State;
 - an attorney practicing in this State with demonstrated expertise in health privacy issues;
 - a person who represents a health insurance carrier operating in this State;
 - a person who represents a federally-designated Quality Improvement Organization located in the State; and

-- three members of the public with a demonstrated professional expertise in issues relating to the work of the commission, including one member with expertise in electronic health information technology.

The Governor is to designate a public member as chair of the commission. The public members shall serve for a term of three years. The commission is to meet and confer with the Office for e-HIT at least quarterly and may meet at other times at the call of the commission chair.

In addition to any other powers authorized by law, the commission shall have the authority to: make and enter into contracts to purchase services and supplies; develop and submit a proposed budget, not to exceed \$1 million annually, to the Commissioner of Health and Senior Services, which budget shall be subject to approval by the commissioner; apply for, receive, and expend grants from governmental or private nonprofit sources; recommend to DOBI the necessary charges and assessments to be levied to collect payments from persons and entities for the provision of services or as the Office for e-HIT otherwise determines necessary; receive and expend appropriations; provide such other services and perform such other functions as the commission deems necessary to fulfill its responsibilities; and appoint, retain, or employ consultants on a contract basis or otherwise, who are deemed necessary, and as may be within the limits of funds appropriated or otherwise made available.

The commission shall appoint a full-time executive director and the executive director may hire properly qualified employees, within the limits of funds appropriated or otherwise made available to the commission.

No later than 18 months after its initial meeting and annually thereafter, the commission is to submit a joint report with the Office for e-HIT to the Governor and the Legislature concerning its activities and the status of the Statewide health information technology plan, and is to include in that report any findings and recommendations that it desires to make, along with any legislative bills that it desires to recommend.

The commission is to be funded by DOBI from such fines, sanctions, and civil penalties assessed by DOBI on entities regulated by the department pursuant to subtitle 3 of Title 17 of the Revised Statutes, Title 17B of the New Jersey Statutes, and P.L.1973, c.337 (C.26:2J-1 et seq.).

The commission will sunset five years after the date of enactment.

OFFICE FOR E-HIT AND HEALTH INFORMATION TECHNOLOGY PLAN

The substitute establishes the Office for e-HIT in DOBI and charges it with collaborating with the Health Information Technology Commission in developing, implementing, and overseeing the

operation of the Statewide health information technology plan. The Office for e-HIT is to submit the plan to the commission for its review and approval.

No later than 18 months after its initial meeting and annually thereafter, the Office for e-HIT is to submit a joint report with the commission to the Governor and the Legislature concerning its activities and the status of the plan. The office shall include in that report any findings and recommendations that it desires to make, along with any legislative bills that it desires to recommend.

The Statewide Health Information Technology Plan is to provide for, but not be limited to, a mechanism designed to support the establishment of a secure, integrated, interoperative, and Statewide electronic health information infrastructure for the sharing of electronic health information and electronic health records among health care facilities, health care professionals, public and private payers, and patients.

The plan is to comply with all State and federal privacy requirements and link all components of the health care delivery system through secure and appropriate exchanges of health information for the purpose of enhancing health care quality, patient safety, communication of patient information, disease management capabilities, patient and provider satisfaction, clinical and administrative cost reductions, fraud and abuse prevention and detection, and public health emergency preparedness.

The plan shall also provide for the designation of a custodian for all protected health information that meets federal and State privacy and security laws and is accredited by a national standard setting organization recognized by DOBI.

The substitute is to take effect 180 days after enactment, except that the Commissioner of Banking and Insurance may take such anticipatory administrative action in advance thereof as shall be necessary for its implementation.

This substitute is identical to Assembly Bill No. 4044 (1R) SCA (Conaway/Chivukula/Prieto/Greenstein/Gordon/Munoz/Vas), which the committee also reported on this date.