

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.