relating to the continuation and functions of the Texas Health
Services Authority as a quasi-governmental entity and the
electronic exchange of health care information.

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

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

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

(1) Medicaid providers;
(2) child health plan program providers;
(3) fee-for-service providers;
(4) [at least one representative of the Texas Health
Services Authority established under Chapter 182, Health and Safety
Code];
(5) [at least one representative of each health and human services agency];
(6) [at least one representative of a major provider association];
(7) [at least one representative of a health care facility];
(8) [at least one representative of a managed care organization];
(8) [421] at least one representative of the pharmaceutical industry;
(9) [422] at least one representative of Medicaid recipients and child health plan enrollees;
(10) [423] at least one representative of a local or regional health information exchange; and
(11) [424] at least one representative who is skilled in pediatric medical informatics.

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

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

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

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

S.B. No. 203

1 (8) [421] at least one representative of the
2 pharmaceutical industry;
3 (9) [422] at least one representative of Medicaid
4 recipients and child health plan enrollees;
5 (10) [423] at least one representative of a local or
6 regional health information exchange; and
7 (11) [424] at least one representative who is skilled
8 in pediatric medical informatics.
9
10 (c-1) Notwithstanding Subsection (c), the advisory
11 committee must include at least one representative of the Texas
12 Health Services Authority established under Chapter 182, Health and
13 Safety Code. This subsection expires September 1, 2021.
14
15 (c-2) Notwithstanding Subsection (c), on and after
16 September 1, 2021, the advisory committee must include at least one
17 representative of the private nonprofit organization with relevant
18 knowledge and experience in establishing statewide health
19 information exchange capabilities designated under Section
21
22 (g) The advisory committee shall collaborate with the Texas
23 Health Services Authority to ensure that the health information
24 exchange system is interoperable with, and not an impediment to,
25 the electronic health information infrastructure that the
26 authority assists in developing. This subsection expires September
27 1, 2021.
28
29 SECTION 2. Section 181.206, Health and Safety Code, is
30 amended by amending Subsection (a) and adding Subsection (a-1) to
31 read as follows:
(a) The commission, in coordination with the attorney general[,] the Texas Health Services Authority[,] and the Texas Department of Insurance:

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

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

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

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

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

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

SECTION 4. The heading to Chapter 182, Health and Safety
Code, is amended to read as follows:

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

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

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

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

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

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

(a) The corporation is governed by a board of 12 directors appointed by the governor, with the advice and consent of the senate.

(b) The governor shall also appoint at least two ex officio, nonvoting members representing the health and human services agencies as state agency data resources.
The governor shall appoint as a voting board member one individual who represents Texas local health information exchanges.

In this section, "health and human services agencies" includes the:

1. department;
2. Department of Aging and Disability Services;
3. Department of Assistive and Rehabilitative Services;
4. Department of Family and Protective Services; and
5. commission.

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

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

1. establish statewide health information exchange capabilities, including capabilities for electronic laboratory results, diagnostic studies, and medication history delivery, and, where applicable, promote definitions and standards for electronic interactions statewide;

2. seek funding to:
   (A) implement, promote, and facilitate the voluntary exchange of secure electronic health information between and among individuals and entities that are providing or paying for health care services or procedures; and
   (B) create incentives to implement, promote, and facilitate the voluntary exchange of secure electronic health
information between and among individuals and entities that are providing or paying for health care services or procedures;

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

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

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

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

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

(4) support regional health information exchange initiatives by:

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

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

(C) providing technical expertise where appropriate;

(D) sharing intellectual property developed
under Section 182.105;

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

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

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

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

(b) This section expires September 1, 2021.

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

(c) This section expires September 1, 2021.

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

(d) This section expires September 1, 2021.

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

Sec. 182.104. SECURITY COMPLIANCE. (a) The corporation
shall:

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

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

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

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

(b) This section expires September 1, 2021.

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

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

(b) This section expires September 1, 2021.
Section 182.106, Health and Safety Code, is amended to read as follows:

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

(b) This section expires September 1, 2021.

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

(d) This section expires September 1, 2021.

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

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

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

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

(h) In amending standards under Subsection (g), the commission shall seek the assistance of a private nonprofit organization with relevant knowledge and experience in establishing statewide health information exchange capabilities.
(i) Standards amended under Subsection (g) must be designed to:

1. comply with the Health Insurance Portability and Accountability Act and Privacy Standards and Chapter 181;
2. comply with any other state and federal law relating to the security and confidentiality of information electronically maintained or disclosed by a covered entity;
3. ensure the secure maintenance and disclosure of individually identifiable health information;
4. include strategies and procedures for disclosing individually identifiable health information; and
5. support a level of system interoperability with existing health record databases in this state that is consistent with emerging standards.

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

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

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

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

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

(n) In this section:

(1) "Covered entity" has the meaning assigned by Section 181.001.

(2) "Disclose" has the meaning assigned by Section 181.001.

(3) "Health Insurance Portability and Accountability Act and Privacy Standards" has the meaning assigned by Section 181.001.

(4) "Individually identifiable health information" means individually identifiable health information as that term is defined by the privacy rule of the Health Insurance Portability and Accountability Act and Privacy Standards.
“Protected health information” means protected health information as that term is defined by the privacy rule of the Health Insurance Portability and Accountability Act and Privacy Standards.

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

President of the Senate

I hereby certify that S.B. No. 203 passed the Senate on April 9, 2015, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 4, 2015, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 203 passed the House, with amendment, on April 20, 2015, by the following vote: Yeas 144, Nays 1, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor