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BILL ANALYSIS

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House Bill 6039 (Substitute H-2 as passed by the House)  
Sponsor: Representative Gary A. Newell  
House Committee: Health Policy  
Senate Committee: Health Policy

Date Completed: 11-27-06

### **CONTENT**

**The bill would amend Part 25 (Health Information Technology) of the Public Health Code to establish in the Department of Community Health (DCH) the "Healthcare Information Technology and Infrastructure Development Fund" to promote the development and adoption of health care information technologies designed to improve the quality, safety, and efficiency of health care services.**

The proposed Fund would be administered by the Health Information Technology Commission. Fund money would have to be used for established regional health information organizations and other projects authorized by the Commission. The money could be spent by contract, loan, or grant, to develop, maintain, expand, and improve the State's health care information technology infrastructure and to assist health care facilities and health service providers in adopting health care information technologies shown to improve health care quality, safety, or efficiency. The Commission would have to develop criteria for the selection of projects to be funded and criteria for eligible regional health information organizations and health care information technology and infrastructure to be funded under Part 25.

The Commission would have to prepare and issue an annual report by January 30 of each year outlining in specific detail the amount of funds spent from the Fund in the previous year, a status report on the projects funded, progress to date in implementing a statewide health care information infrastructure, and recommendations for future investments and projects.

The bill would authorize the DCH Director to accept any grant, devise, bequest, donation, gift, services in kind, assignment of money, bonds, or money appropriated by the Legislature or received from insurers, for deposit in and credit of the Fund. The bill would authorize the Commission to spend any money deposited into the Fund for the specified purposes. Money in the Fund at the close of the fiscal year would remain in the Fund and would not lapse to the General Fund.

Notwithstanding any provision of its articles of incorporation, bylaws, or other enabling documents or laws to the contrary, a health insurer, health maintenance organization (HMO), health plan, or nonprofit health care corporation would be authorized to allocate sums of money derived from the collection of premiums to the Fund. The Commission would be authorized to approve projects that were in conformance with the bill.

A Commission member could not make, participate in making, or in any way attempt to use his or her position as a member of the Commission to influence a decision regarding a loan, grant, investment, or other expenditure under Part 25 to his or her employer. A member, employee, or agent of the Commission could not engage in any conduct that constituted a conflict of interest and immediately would have to advise the Commission in writing of the details of any incident or circumstances that could present the existence of a conflict of interest with respect to the performance of the Commission-related work or duty of the member, employee, or agent. A member who had a conflict of interest related to any matter before the Commission would have to disclose it before the Commission took any action with respect to the matter. The disclosure would have to become part of the record of the Commission's official proceedings. The member with the conflict of interest would have to refrain from doing all of the following with respect to the matter that was the basis of the conflict of interest:

- Voting in the Commission's proceedings related to the matter.
- Participating in the Commission's discussion of and deliberation on the matter.
- Being present at the meeting when the discussion, deliberation, and voting on the matter took place.
- Discussing the matter with any other Commission member.

A member's failure to comply with the conflict of interest provisions would constitute misconduct in office subject to removal under Section 2503. (Under that section, the Governor may remove a member of the Commission for incompetency, dereliction of duty, malfeasance, misfeasance, or nonfeasance in office, or any other good cause.)

When authorizing expenditures and investments under Part 25, the Commission could not consider whether a recipient had made a contribution or expenditure under the Michigan Campaign Finance Act. Expenditures under Part 25 could not be used to finance or influence political activities.

Proposed MCL 333.2511

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

While the bill would establish the Healthcare Information Technology and Infrastructure Development Fund and specifies the processes through which grants could be distributed from the Fund, it does not identify a specific funding source for these grants. Passage of the bill would create a minor increase in administrative cost for the Department of Community Health related to managing the distribution of resources from the Fund (if money for grants became available) and fulfilling the reporting requirements established in the bill. The FY 2006-07 Department of Community Health appropriation provided \$9.0 million Gross/\$7.25 million GF/GP for efforts to increase health care information technology capacity in Michigan.

Fiscal Analyst: David Fosdick

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.