

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 395
Committee Substitute Favorable 5/4/21
Senate Health Care Committee Substitute Adopted 5/18/21
Fourth Edition Engrossed 5/20/21

Short Title: HIE Deadline Extension & Patient Protection.

(Public)

Sponsors:

Referred to:

March 25, 2021

1 A BILL TO BE ENTITLED
2 AN ACT EXEMPTING AMBULATORY SURGICAL CENTERS FROM THE
3 REQUIREMENT TO SUBMIT DEMOGRAPHIC AND CLINICAL DATA, EXTENDING
4 FOR CERTAIN PROVIDERS AND ENTITIES THE DEADLINES FOR MANDATORY
5 PARTICIPATION IN THE STATEWIDE HEALTH INFORMATION EXCHANGE
6 NETWORK KNOWN AS NC HEALTHCONNEX, AND INSTITUTING REFORMS TO
7 PROTECT PATIENTS.

8 The General Assembly of North Carolina enacts:

9 SECTION 1. G.S. 90-414.4(a) reads as rewritten:

10 "§ 90-414.4. Required participation in HIE Network for some providers.

11 (a) Findings. – The General Assembly makes the following findings:

12 (1) That controlling escalating health care costs of the Medicaid program and
13 other State-funded health care services is of significant importance to the
14 State, its taxpayers, its Medicaid recipients, and other recipients of
15 State-funded health care services.

16 (2) That the State and covered entities in North Carolina need timely access to
17 certain demographic and clinical information pertaining to services rendered
18 to Medicaid and other State-funded health care program beneficiaries and paid
19 for with Medicaid or other State-funded health care funds in order to assess
20 performance, improve health care outcomes, pinpoint medical expense trends,
21 identify beneficiary health risks, and evaluate how the State is spending
22 money on Medicaid and other State-funded health care services. The
23 Department of Information Technology, the Department of State Treasurer,
24 State Health Plan Division, and the Department of Health and Human
25 Services, Division of Health Benefits, have an affirmative duty to facilitate
26 and support participation by covered entities in the statewide health
27 information exchange network.

28 (3) That making demographic and clinical information available to the State and
29 covered entities in North Carolina by secure electronic means as set forth in
30 subsection (b) of this section will improve care coordination within and across
31 health systems, increase care quality for such beneficiaries, enable more
32 effective population health management, reduce duplication of medical
33 services, augment syndromic surveillance, allow more accurate measurement



1 of care services and outcomes, increase strategic knowledge about the health
2 of the population, and facilitate health care cost containment."

3 **SECTION 2.** G.S. 90-414.4(a1) reads as rewritten:

4 "(a1) Mandatory Connection to HIE Network. – Notwithstanding the voluntary nature of
5 the HIE Network under G.S. 90-414.2, the following providers and entities shall be connected to
6 the HIE Network and begin submitting data through the HIE Network pertaining to services
7 rendered to Medicaid beneficiaries and to other State-funded health care program beneficiaries
8 and paid for with Medicaid or other State-funded health care funds in accordance with the
9 following time line:

10 ...

11 (2) Except as provided in subdivisions (3), (4), and (5) of this subsection, all other
12 providers of Medicaid and State-funded health care services and their
13 affiliated entities shall begin submitting demographic and clinical data by
14 October 1, 2021; January 1, 2023.

15 (3) The following entities shall submit encounter and claims data, as appropriate,
16 in accordance with the following time line:

17 a. Prepaid Health Plans, as defined in G.S. 108D-1, by the
18 commencement date of a capitated contract with the Division of
19 Health Benefits for the delivery of Medicaid and NC Health Choice
20 services as specified in Article 4 of Chapter 108D of the General
21 Statutes.

22 b. Local management entities/managed care organizations, as defined in
23 G.S. 122C-3, by June 1, 2020.

24 If authorized by the Authority in accordance with this Article, the Department
25 of Health and Human Services may submit the data required by this subsection
26 on behalf of the entities specified in this subdivision.

27 (4) The following entities shall begin submitting demographic and clinical data
28 by June 1, 2021; January 1, 2023:

29 a. Ambulatory Physicians who perform procedures at ambulatory
30 surgical centers as defined in G.S. 131E-146.

31 b. Dentists licensed under Article 2 of Chapter 90 of the General Statutes.

32 c. Licensed physicians whose primary area of practice is psychiatry.

33 d. The State Laboratory of Public Health operated by the Department of
34 Health and Human Services.

35 (5) The following entities shall begin submitting claims data by June 1,
36 2021; January 1, 2023:

37 a. Pharmacies registered with the North Carolina Board of Pharmacy
38 under Article 4A of Chapter 90 of the General Statutes.

39 b. State health care facilities operated under the jurisdiction of the
40 Secretary of the Department of Health and Human Services, including
41 State psychiatric hospitals, developmental centers, alcohol and drug
42 treatment centers, neuro-medical treatment centers, and residential
43 programs for children such as the Wright School and the Whitaker
44 Psychiatric Residential Treatment Facility."

45 **SECTION 3.** G.S. 90-414.4(a2) reads as rewritten:

46 "(a2) Extensions of Time for Establishing Connection to the HIE Network. – The
47 Department of Information Technology, in consultation with the Department of Health and
48 Human Services and the State Health Plan for Teachers and State Employees, may establish a
49 process to grant limited extensions of the time for providers and entities to connect to the HIE
50 Network and begin submitting data as required by this section upon the request of a provider or
51 entity that demonstrates an ongoing good-faith effort to take necessary steps to establish such

1 connection and begin data submission as required by this section. The process for granting an
2 extension of time must include a presentation by the provider or entity to the Department of
3 Information Technology, the Department of Health and Human Services, and the State Health
4 Plan for Teachers and State Employees on the expected time line for connecting to the HIE
5 Network and commencing data submission as required by this section. Neither the Department
6 of Information Technology, the Department of Health and Human Services, nor the State Health
7 Plan for Teachers and State Employees shall grant an extension of time (i) to any provider or
8 entity that fails to provide this information to both Departments, and the State Health Plan for
9 Teachers and State Employees, (ii) that would result in the provider or entity connecting to the
10 HIE Network and commencing data submission as required by this section later than ~~October 1,~~
11 ~~2021,~~ or (iii) that would result in any provider or entity specified in subdivisions (4) and (5) of
12 subsection (a1) of this section connecting to the HIE Network and commencing data submission
13 as required by this section later than ~~June 1, 2022.~~ January 1, 2023. The Department of
14 Information Technology shall consult with the Department of Health and Human Services and
15 the State Health Plan for Teachers and State Employees to review and decide upon a request for
16 an extension of time under this section within 30 days after receiving a request for an extension."

17 **SECTION 4.** G.S. 90-414.4(b) reads as rewritten:

18 "(b) Mandatory Submission of Demographic and Clinical Data. – Notwithstanding the
19 voluntary nature of the HIE Network under G.S. 90-414.2 and, except as otherwise provided in
20 subsection (c) of this section, as a condition of receiving State funds, including Medicaid funds,
21 the following entities shall submit at least twice daily, through the HIE network, demographic
22 and clinical information pertaining to services rendered to Medicaid and other State-funded
23 health care program beneficiaries and paid for with Medicaid or other State-funded health care
24 funds, solely for the purposes set forth in subsection (a) of this section:

- 25 (1) Each hospital, as defined in G.S. 131E-176(13) that has an electronic health
26 record system.
- 27 (2) Each Medicaid ~~provider~~ provider, unless the provider is an ambulatory
28 surgical center as defined in G.S. 131E-146, however, a physician who
29 performs a procedure at the ambulatory surgical center must be connected to
30 the HIE Network.
- 31 (3) Each provider that receives State funds for the provision of health
32 ~~services~~ services, unless the provider is an ambulatory surgical center as
33 defined in G.S. 131E-146, however, a physician who performs a procedure at
34 the ambulatory surgical center must be connected to the HIE Network.
- 35 (4) Each local management entity/managed care organization, as defined in
36 G.S. 122C-3."

37 **SECTION 5.** G.S. 90-414.4 is amended by adding a subsection to read:

38 "(b1) Balance Billing Prohibition. – An in-network provider or entity who renders health
39 care services, including prescription drugs and durable medical equipment, under a contract with
40 the State Health Plan for Teachers and State Employees and who is not connected to the HIE
41 Network in accordance with this Article, is prohibited from billing the State Health Plan or a Plan
42 member more than either party would be billed if the entity or provider was connected to the HIE
43 Network. Balance billing because the provider or entity did not connect to the HIE Network is
44 prohibited."

45 **SECTION 6.** G.S. 90-414.6 reads as rewritten:

46 "**§ 90-414.6. State ownership of HIE Network data.**

47 Any data pertaining to services rendered to Medicaid and other State-funded health care
48 program beneficiaries submitted through and stored by the HIE Network pursuant to
49 G.S. 90-414.4 or any other provision of this Article shall be and will remain the sole property of
50 the State. Any data or product derived from the aggregated, de-identified data submitted to and
51 stored by the HIE Network pursuant to G.S. 90-414.4 or any other provision of this Article, shall

1 be and will remain the sole property of the State. The Authority shall not allow data it receives
2 pursuant to G.S. 90-414.4 or any other provision of this Article to be used or disclosed by or to
3 any person or entity for commercial purposes or for any other purpose other than those set forth
4 in G.S. 90-414.4(a) or G.S. 90-414.2. To the extent the Authority receives requests for electronic
5 health information as the term is defined in 45 C.F.R. § 171.102, or other medical records from
6 an individual, an individual's personal representative, or an individual or entity purporting to act
7 on an individual's behalf, the Authority (i) shall not fulfill the request and (ii) shall make available
8 to the requester and the public, via the Authority's website, educational materials about how to
9 access such information from other sources."

10 **SECTION 7.(a)** On or before March 1, 2022, the NC HIE Advisory Board shall
11 submit to the Joint Legislative Oversight Committee on Health and Human Services
12 recommendations regarding appropriate features or actions to support enforcement of the
13 Statewide Health Information Exchange Act contained in Article 29B of Chapter 90 of the
14 General Statutes and the results of the outreach efforts in subsection (b) of this section.

15 **SECTION 7.(b)** The HIE Authority shall work with the State Health Plan Division,
16 Department of State Treasurer, and the Division of Health Benefits, Department of Health and
17 Human Services, to identify the following: (i) all providers and entities who are required to
18 connect to the HIE as a condition of receiving State funds, (ii) providers and entities who have
19 not connected to the HIE in accordance with G.S. 90-414.4, and (iii) providers and entities whose
20 deadline for mandatory connection is approaching or has passed. The HIE Authority shall contact
21 each entity or provider identified and ascertain the status of the entity's or provider's effort to
22 connect to the HIE. The HIE Authority shall share information with each provider or entity about
23 the Statewide Health Information Exchange Act and how to connect to the HIE Network. All
24 licensing boards within the State overseeing the providers and entities required to connect to the
25 HIE shall assist by providing contact information and addresses of licensees when that
26 information is not readily available to the HIE Authority, Department of State Treasurer, and the
27 Department of Health and Human Services. Contact information and addresses for providers and
28 entities shall be provided by the Department of State Treasurer, the Department of Health and
29 Human Services, and licensing boards on or before November 1, 2021. On or before November
30 1, 2021, the Department of State Treasurer, State Health Plan Division, shall provide claim
31 encounter data to support but not exceed the requirements of this section and as part of its
32 responsibilities to administer and operate the State Health Plan for Teachers and State
33 Employees, the State Health Plan Division shall use and disclose Claim Payment Data and/or
34 data from the Claims Data Feed, as necessary to satisfy the requirements of this subsection.

35 **SECTION 8.** This act is effective when it becomes law.