

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE BILL 70  
Committee Substitute Favorable 3/12/19  
Senate Health Care Committee Substitute Adopted 5/23/19

Short Title: Delay NC HealthConnex for Certain Providers.

(Public)

Sponsors:

Referred to:

February 14, 2019

1 A BILL TO BE ENTITLED  
2 AN ACT EXTENDING THE DEADLINES BY WHICH CERTAIN PROVIDERS ARE  
3 REQUIRED TO CONNECT TO AND PARTICIPATE IN NORTH CAROLINA'S  
4 HEALTH INFORMATION EXCHANGE NETWORK KNOWN AS NC  
5 HEALTHCONNEX AND EXPANDING THE MEMBERSHIP OF THE NORTH  
6 CAROLINA HEALTH INFORMATION EXCHANGE ADVISORY BOARD.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 90-414.4 reads as rewritten:

9 **"§ 90-414.4. Required participation in HIE Network for some providers.**

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

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

15 (2) That the State ~~needs and covered entities in North Carolina need~~ timely access  
16 to certain demographic and clinical information pertaining to services  
17 rendered to Medicaid and other State-funded health care program  
18 beneficiaries and paid for with Medicaid or other State-funded health care  
19 funds in order to assess performance, improve health care outcomes, pinpoint  
20 medical expense trends, identify beneficiary health risks, and evaluate how  
21 the State is spending money on Medicaid and other State-funded health care  
22 services.

23 (3) That making demographic and clinical information available to the State and  
24 covered entities in North Carolina by secure electronic means as set forth in  
25 subsection (b) of this section ~~will, with respect to Medicaid and other~~  
26 ~~State-funded health care programs, will~~ improve care coordination within and  
27 across health systems, increase care quality for such beneficiaries, enable  
28 more effective population health management, reduce duplication of medical  
29 services, augment syndromic surveillance, allow more accurate measurement  
30 of care services and outcomes, increase strategic knowledge about the health  
31 of the population, and facilitate health care cost containment.

32 (a1) Mandatory Connection to HIE Network. – Notwithstanding the voluntary nature of  
33 the HIE Network under G.S. 90-414.2, the following providers and entities shall be connected to  
34 the HIE Network and begin submitting data through the HIE Network pertaining to services  
35 rendered to Medicaid beneficiaries and to other State-funded health care program beneficiaries



1 and paid for with Medicaid or other State-funded health care funds in accordance with the  
2 following time line:

- 3 (1) The following providers of Medicaid services licensed to operate in the State  
4 that have an electronic health record system shall begin ~~submitting~~ submitting,  
5 at a minimum, demographic and clinical data by June 1, 2018:  
6 a. Hospitals as defined in G.S. 131E-176(13).  
7 b. Physicians licensed to practice under Article 1 of Chapter 90 of the  
8 General ~~Statutes~~ Statutes, except for licensed physicians whose  
9 primary area of practice is psychiatry.  
10 c. Physician assistants as defined in 21 NCAC 32S.0201.  
11 d. Nurse practitioners as defined in 21 NCAC 36.0801.  
12 (2) Except as provided in subdivisions (3), (4), and (5) of this subsection, all other  
13 providers of Medicaid and State-funded health care services shall begin  
14 submitting demographic and clinical data by June 1, ~~2019~~ 2020.  
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 S.L. 2015-245, 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 S.L. 2015-245.  
21 b. Local management entities/managed care organizations, as defined in  
22 G.S. 122C-3, by June 1, 2020.  
23 (4) The following entities shall begin submitting demographic and clinical data  
24 by June 1, 2021:  
25 a. Ambulatory surgical centers as defined in G.S. 131E-146.  
26 b. Dentists licensed under Article 2 of Chapter 90 of the General Statutes.  
27 c. Licensed physicians whose primary area of practice is psychiatry.  
28 d. The State Laboratory of Public Health operated by the Department of  
29 Health and Human Services.  
30 (5) The following entities shall begin submitting claims data by June 1, 2021:  
31 a. Pharmacies registered with the North Carolina Board of Pharmacy  
32 under Article 4A of Chapter 90 of the General Statutes.  
33 b. State health care facilities operated under the jurisdiction of the  
34 Secretary of the Department of Health and Human Services, including  
35 State psychiatric hospitals, developmental centers, alcohol and drug  
36 treatment centers, neuro-medical treatment centers, and residential  
37 programs for children such as the Wright School and the Whitaker  
38 Psychiatric Residential Treatment Facility.

39 (a2) Extensions of Time for Establishing Connection to the HIE Network. – The  
40 Department of Information Technology, in consultation with the Department of Health and  
41 Human ~~Services~~ Services and the State Health Plan for Teachers and State Employees, may  
42 establish a process to grant limited extensions of the time for providers and entities to connect to  
43 the HIE Network and begin submitting data as required by this section upon the request of a  
44 provider or entity that demonstrates an ongoing good-faith effort to take necessary steps to  
45 establish such connection and begin data submission as required by this section. The process for  
46 granting an extension of time must include a presentation by the provider or entity to the  
47 Department of Information ~~Technology and Technology~~ Technology, the Department of Health and Human  
48 ~~Services~~ Services, and the State Health Plan for Teachers and State Employees on the expected  
49 time line for connecting to the HIE Network and commencing data submission as required by  
50 this section. Neither the Department of Information ~~Technology nor Technology~~ Technology, the Department  
51 of Health and Human ~~Services~~ Services, nor the State Health Plan for Teachers and State

1 Employees shall grant an extension of time (i) to any provider or entity that fails to provide this  
2 information to both ~~Departments,~~ Departments, and the State Health Plan for Teachers and State  
3 Employees, (ii) that would result in the provider or entity connecting to the HIE Network and  
4 commencing data submission as required by this section later than June 1, 2020, or (iii) that  
5 would result in any provider or entity specified in subdivisions (4) and (5) of subsection (a1) of  
6 this section connecting to the HIE Network and commencing data submission as required by this  
7 section later than June 1, 2021. 2022. The Department of Information Technology shall consult  
8 with the Department of Health and Human Services and the State Health Plan for Teachers and  
9 State Employees to review and decide upon a request for an extension of time under this section  
10 within 30 days after receiving a request for an extension.

11 (a3) Exemptions from Connecting to the HIE Network. – The Secretary of Health and  
12 Human Services, or the Secretary's designee, shall have the authority to grant exemptions to  
13 classes of providers of Medicaid and other State-funded health care services for whom acquiring  
14 and implementing an electronic health record system and connecting to the HIE Network as  
15 required by this section would constitute an undue hardship. The Secretary, or the Secretary's  
16 designee, shall promptly notify the Department of Information Technology of classes of  
17 providers granted hardship exemptions under this subsection. Neither the Secretary nor the  
18 Secretary's designee shall grant any hardship exemption that would result in any class of provider  
19 connecting to the HIE Network and submitting data later than December 31, 2022."

20 ...

21 (e) Voluntary Connection for Certain Providers. – Notwithstanding the mandatory  
22 connection and data submission requirements in subsections (a1) and (b) of this section, the  
23 following providers of Medicaid services or other State-funded health care services are not  
24 required to connect to the HIE Network or submit data but may connect to the HIE Network and  
25 submit data voluntarily:

- 26 (1) Community-based long-term services and supports providers, including  
27 personal care services, private duty nursing, home health, and hospice care  
28 providers.
- 29 (2) Intellectual and developmental disability services and supports providers,  
30 such as day supports and supported living providers.
- 31 (3) Community Alternatives Program waiver services (including CAP/DA,  
32 CAP/C, and Innovations) providers.
- 33 (4) Eye and vision services providers.
- 34 (5) Speech, language, and hearing services providers.
- 35 (6) Occupational and physical therapy providers.
- 36 (7) Durable medical equipment providers.
- 37 (8) Nonemergency medical transportation service providers.
- 38 (9) Ambulance (emergency medical transportation service) providers.
- 39 (10) Local education agencies and school-based health providers.

40 (f) Confidentiality of Data. – All data submitted to or through the HIE Network  
41 containing protected health information, personally identifying information, or a combination of  
42 these, that are in the possession of the Department of Information Technology or any other  
43 agency of the State are confidential and shall not be defined as public records under G.S. 132-1.  
44 This subsection shall not be construed to prohibit the disclosure of any such data as otherwise  
45 permitted under federal law."

46 **SECTION 2.** G.S. 90-414.10(d) reads as rewritten:

47 "(d) Except as otherwise permitted in ~~G.S. 90-414.9(a)(3),~~ G.S. 90-414.11(a)(3), or as  
48 required by law, the protected health information of an individual who has exercised the right to  
49 opt out may not be made accessible or disclosed to covered entities or any other person or entity  
50 through the HIE Network for any purpose."

51 **SECTION 3.** This act is effective when it becomes law.