



*HIT Issues in the 2017 Session of the Texas Legislature*  
Presentation to the TxHIMA Annual Convention

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# Presentation Outline

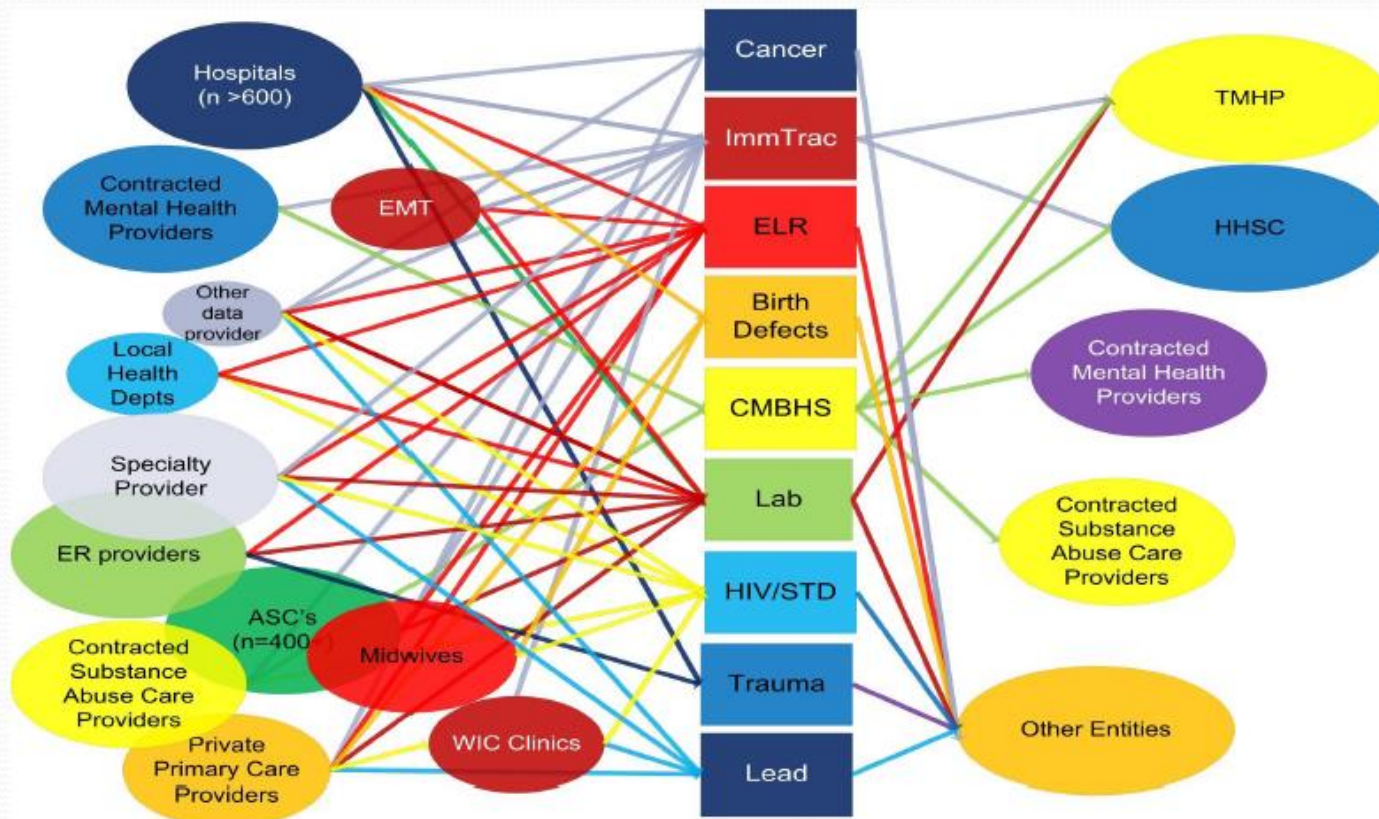
- Recap of the 2015 Legislative Session
- Discussion of Major Policy Forces in HIT
- Preview of the 2017 Legislative Session

# 2015 Was a Good Year

- HB 2641 by Rep. John Zerwas, MD
  - Implements standards in IT systems at the HHS agencies
  - Amends statutes to permit Health Information Exchanges to participate in public health data reporting
  - Creates a HIE incentive program at Medicaid, if found to be feasible and cost-effective
  - Repeals the Sunset provision for Medicaid remote monitoring until September 1, 2019
  - Provides a “safe harbor” for physicians participating in HIEs by shielding them from liability related to other parties’ data errors

# Public Health Reporting Without Standards

Before.....



# Public Health Reporting With Standards





# HB 2641 Coalition



# Forces at Work

- Federal policy drivers:
  - ARRA/HITECH Incentives (\$30 billion for EHRs)
  - Affordable Care Act (ACOs, Quality, Readmission penalties, Payment Reform)
- State policy drivers:
  - Demographic changes
  - Medicaid expansion/exchange plans/managed care
- Consumers still not completely at the table
  - Transition from B2B to B2C underway

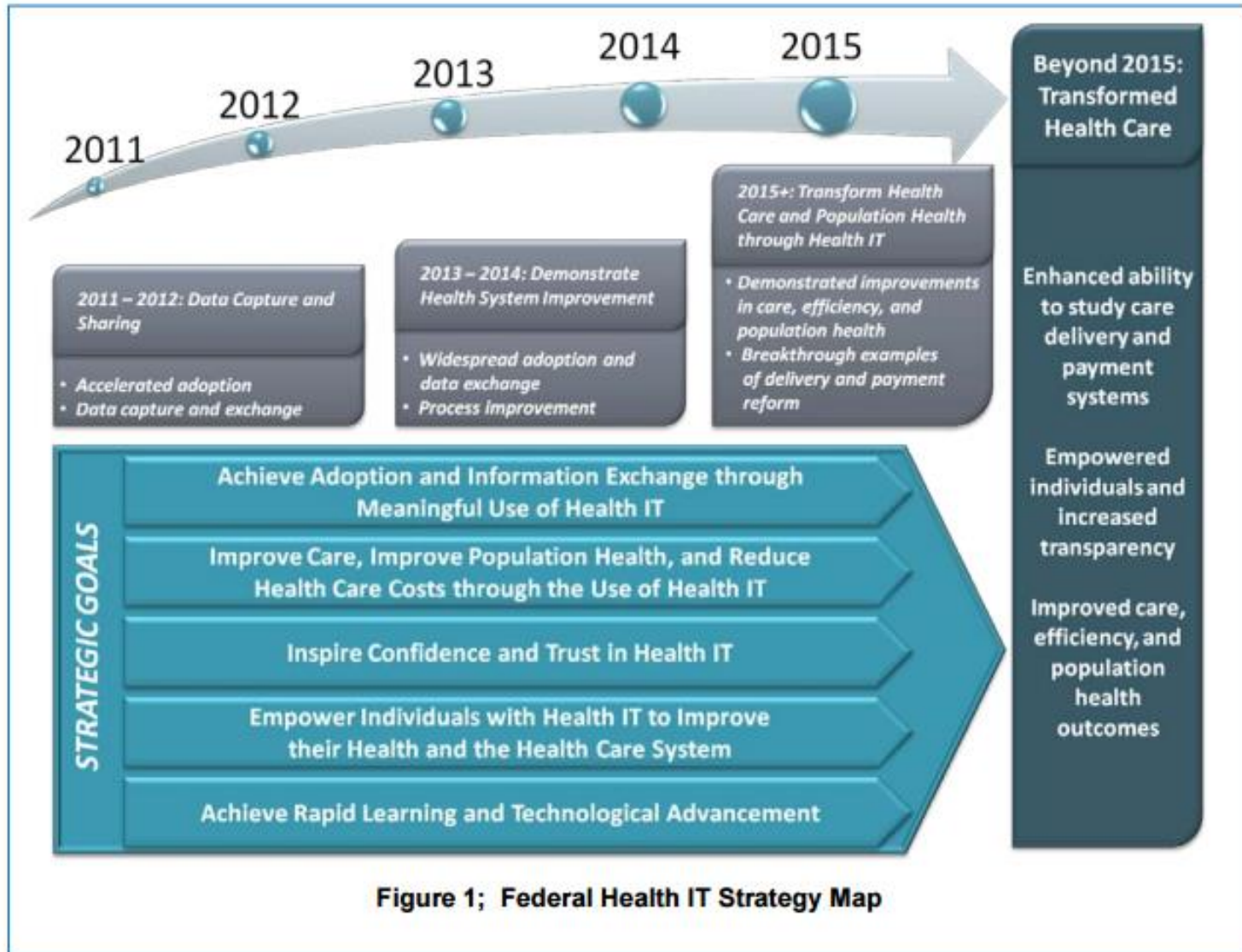
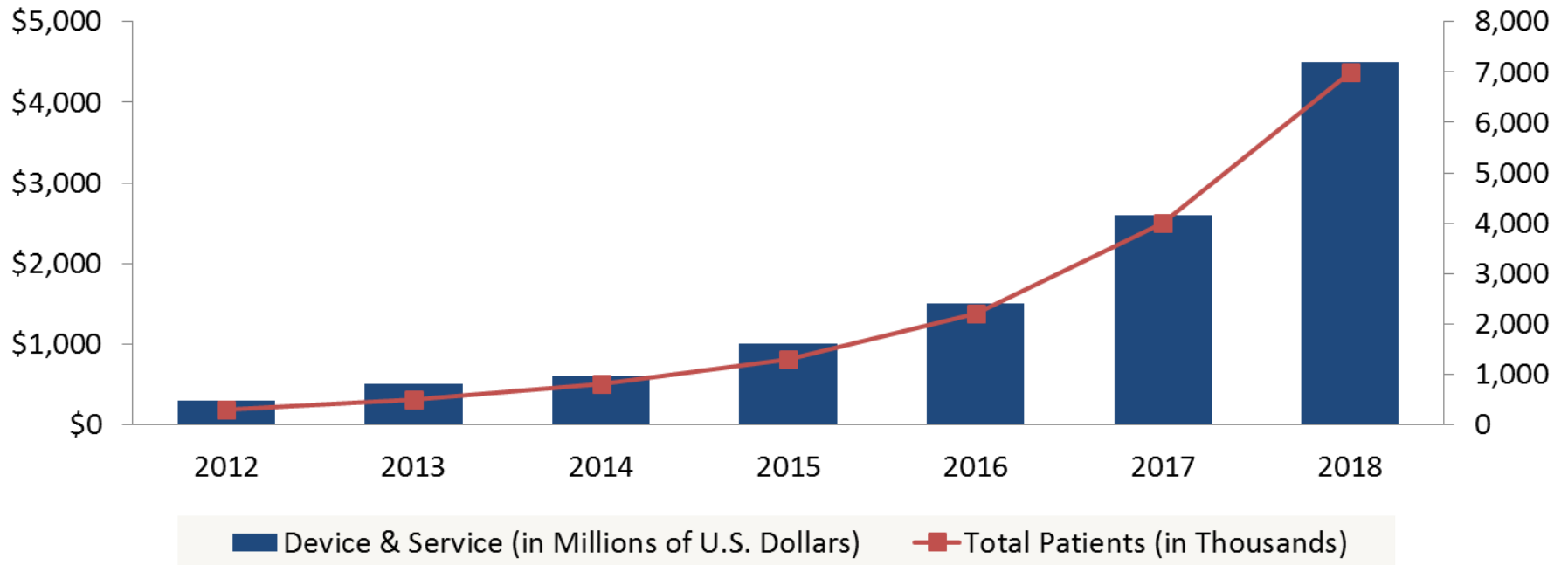


Figure 1; Federal Health IT Strategy Map



**A study conducted by IHS predicted that by 2018, the use of telehealth technology will be more than 10 times that of the 2012 rate.**

*Global Forecast of Telehealth Patients and Device and Service Revenue*



Source: HIS Technology, January 2014.

## Transformational technologies will create new markets

IoT		Smart Home Smart Buildings	Wireless Electricity
Smart Machines		Robots Virtual Assistants	Emotional AI Nanobots
Immersive Experiences		Augmented Reality Virtual Reality	Brain-Machine Interface Haptic Holography
Hypermobility		Wearables	Human Augmentation Personalized Healthcare
3D Transformation		3D Printing	4D printing
	<b>Wave One</b>	<b>Wave Two</b>	<b>Wave Three</b>



# Unfinished/Follow Up Business from 2015

- SB 1937 by Kolkhorst- did not pass
  - converts completion of privacy and security certification under the Health and Safety Code from a “mitigating factor” to “safe harbor” in case of a breach; comparable to HIPAA safe harbor on encryption
- SB 475/HB 1220 (Kolkhorst/Laubenberg)- did not pass
  - Establishes a property right to DNA; Require patient consent for all but a few legally prescribed uses (law enforcement, emergency treatment)
- SB 20 (Nelson/Price)
  - Contracting reform at state agencies

# Budget Outlook for 2017

Revenue left on the table at the end of 2015

- Surplus in the Rainy Day fund (\$10 billion)
- Surplus at the end of this cycle projected to be \$4.2 billion despite lower oil and gas revenues

BUT

Lawsuits pending with high ticket prices

- Foster care ( up to \$200 million)
- School finance (unknown)
- Sales tax lawsuits
  - Oil and gas (\$4.4 billion in rebates, \$500 million loss in revenue)
  - Franchise tax on theaters (\$6 billion in rebates, \$1.5 billion loss in revenue)

## Telemedicine

- Texas Medical Board going through Sunset review
- Federal lawsuit set for trial in 2017
- Interim studies on telemedicine in the House and the Senate
  - House hearing online from February
  - Senate hearing scheduled for June
- Policy issues
  - Establishment of physician-patient relationship
  - Modality
  - Licensure/scope of practice
  - Payment/benefit parity

## Cybersecurity

- 6 Interim studies on cybersecurity in the House covering everything from local government to the Legislature
- Policy issues
  - IT infrastructure is old/dated/not updated
  - Ransomware is now a huge concern (and it wasn't a year ago)
  - Government is not getting good data on non-breach forms of cyber (ransomwear not reported like breaches)

# Questions?

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