



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

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Presentation Outline

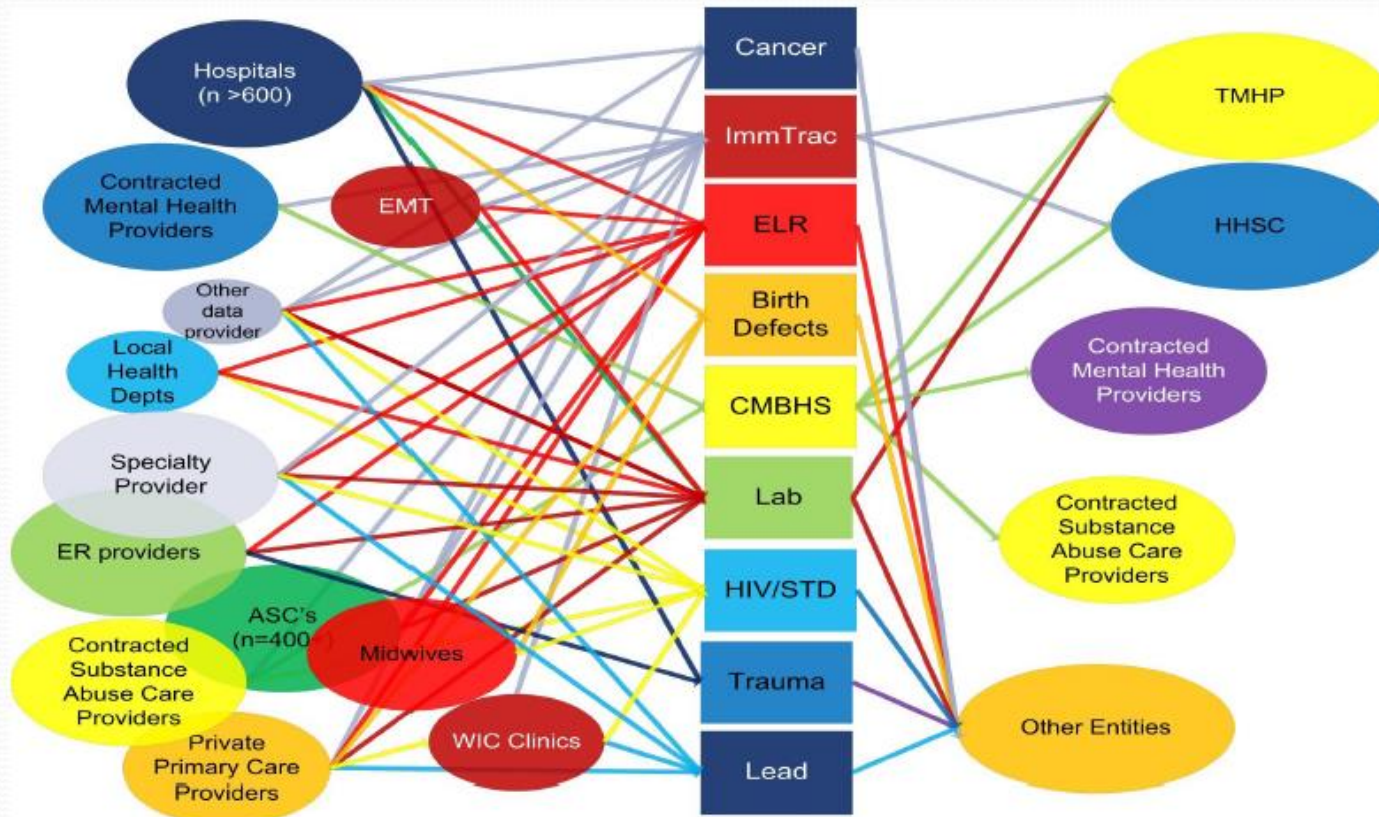
- Recap of the 2015 Legislative Session
- Discussion of Major Policy Forces in HIT
- Preview of the 2017 Legislative Session

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

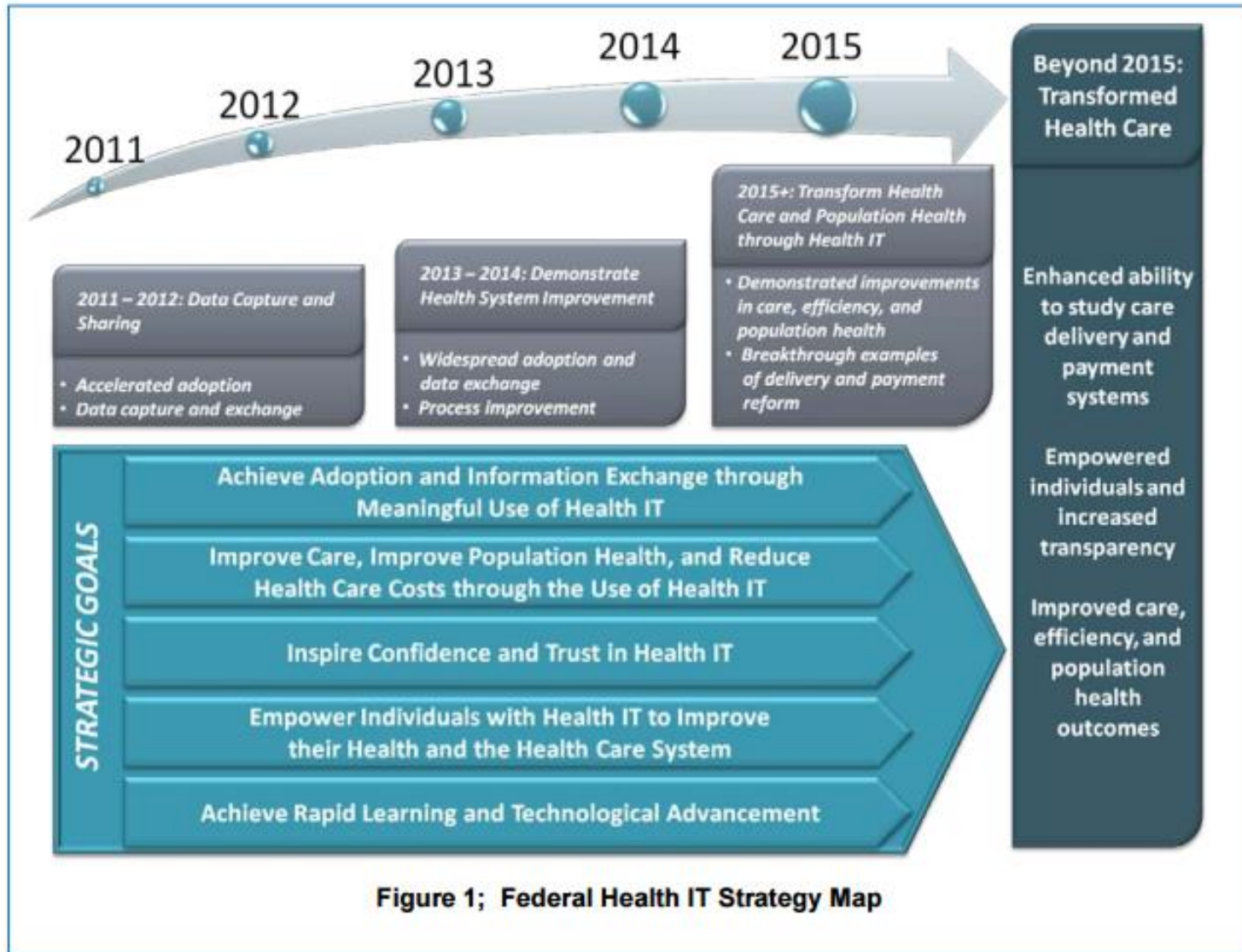
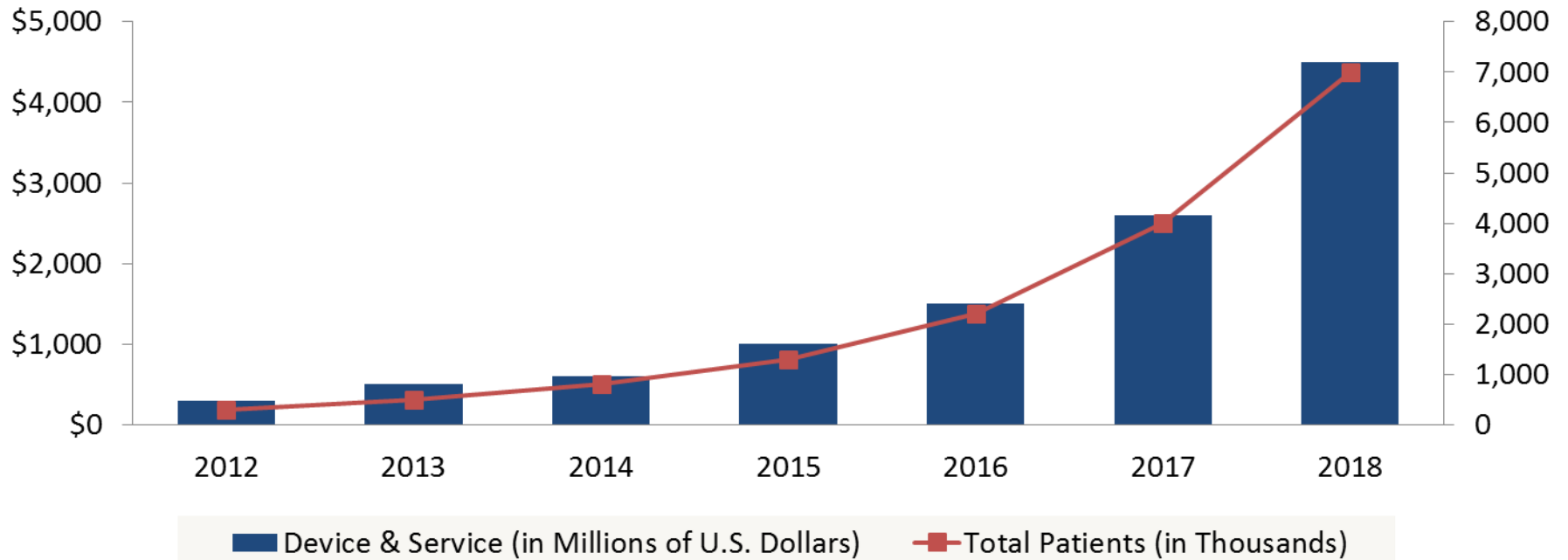


Figure 1; Federal Health IT Strategy Map

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
	Wave One	Wave Two	Wave Three



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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