

First Regular Session  
Sixty-sixth General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 07-0037.01 Kristen Forrestal

**SENATE BILL 07-196**

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**SENATE SPONSORSHIP**

**Hagedorn**, and Johnson

**HOUSE SPONSORSHIP**

**Massey**, and Todd

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**Senate Committees**  
Health and Human Services  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING HEALTH INFORMATION TECHNOLOGY.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

Creates the health information technology advisory committee (committee) to develop a long-range plan for health care information technology, including the use of electronic medical records, computerized clinical support systems, computerized physician order entry, regional data sharing interchanges for health care information, data privacy and security measures, and other methods of incorporating information technology in pursuit of greater cost-effectiveness and better patient outcomes in health care.

Requires the committee to pursue an interstate compact among

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

*Capital letters indicate new material to be added to existing statute.*

*Dashes through the words indicate deletions from existing statute.*

SENATE  
Amended 3rd Reading  
April 3, 2007

SENATE  
Amended 2nd Reading  
April 2, 2007

western states to create internal state health information technology and health information exchange programs with the goal of connecting and exchanging information between the compact states to provide lower-cost, higher-quality, and accessible health care services and benefits.

Clarifies that patient records that are transmitted electronically are subject to the same patient accessibility and security and privacy laws and rules as other patient records.

Allows the state's medical assistance program for home health care services or home- and community-based services to be delivered through telemedicine. Allows the services delivered through telemedicine to be subject to reimbursement policies promulgated by rule of the medical services board. Requires a health care provider who treats a patient through telemedicine to provide specific written statements to the patient prior to treatment, including an option for the patient to opt out of treatment through telemedicine.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Article 1 of title 25, Colorado Revised Statutes, is  
3 amended BY THE ADDITION OF A NEW PART to read:

4 PART 14

5 HEALTH INFORMATION TECHNOLOGY

6 **25-1-1401. Health information technology advisory committee**

7 **- members - duties - cash fund.** (1) THERE IS HEREBY ESTABLISHED THE

8 HEALTH INFORMATION TECHNOLOGY ADVISORY COMMITTEE, ALSO

9 REFERRED TO IN THIS SECTION AS THE "COMMITTEE". THE COMMITTEE

10 SHALL CONSIST OF AT LEAST THIRTEEN MEMBERS WHO HAVE EXPERTISE IN

11 THE AREA OF HEALTH INFORMATION TECHNOLOGY, APPOINTED BY THE

12 GOVERNOR WITHIN THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS

13 SECTION, WHO SHALL INCLUDE REPRESENTATIVES OF INTERESTED GROUPS,

14 INCLUDING:

15 (a) THE ACADEMIC COMMUNITY;

16 (b) THE INSURANCE INDUSTRY;

- 1 (c) THE PHARMACEUTICAL INDUSTRY;
- 2 (d) EMPLOYER GROUPS;
- 3 (e) THE ATTORNEY GENERAL'S OFFICE;
- 4 (f) THE GOVERNOR'S OFFICE;
- 5 (g) MEDICAL PRACTITIONERS, WHICH MAY INCLUDE
- 6 REPRESENTATION OF THE MEDICAL INDUSTRY, DOCTORS, NURSING HOMES,
- 7 AND NURSES;
- 8 (h) MEDICARE AND MEDICAID; ==
- 9 (i) THE HEALTH INFORMATION TECHNOLOGY INDUSTRY;
- 10 (j) INFORMATION TECHNOLOGY ASSOCIATIONS;
- 11 (k) HOME HEALTH PROVIDERS;
- 12 (l) MENTAL HEALTH PROVIDERS;
- 13 (m) CONSUMERS;
- 14 (n) AT LEAST TWO MEMBERS OF THE COLORADO REGIONAL
- 15 HEALTH INFORMATION ORGANIZATION; ==
- 16 (o) AT LEAST ONE REPRESENTATIVE FROM EACH HOUSE OF THE
- 17 COLORADO GENERAL ASSEMBLY; AND
- 18 (p) AN ASSOCIATION REPRESENTING ALL TYPES OF HOSPITALS
- 19 THROUGHOUT COLORADO, INCLUDING PRIVATE AND
- 20 GOVERNMENT-OPERATED, METROPOLITAN AND RURAL, INVESTOR-OWNED
- 21 AND NOT-FOR-PROFIT.

22 (2) (a) THE COMMITTEE MEMBERS SHALL ELECT A PRESIDING

23 OFFICER.

24 (b) MEMBERS OF THE COMMITTEE SHALL SERVE WITHOUT

25 COMPENSATION.

26 (3) (a) ON OR BEFORE JANUARY 1, 2009, THE COMMITTEE SHALL

27 DEVELOP A LONG-RANGE PLAN FOR HEALTH CARE INFORMATION

1 TECHNOLOGY, INCLUDING THE USE OF ELECTRONIC MEDICAL RECORDS,  
2 COMPUTERIZED CLINICAL SUPPORT SYSTEMS, COMPUTERIZED PHYSICIAN  
3 ORDER ENTRY, REGIONAL DATA SHARING INTERCHANGES FOR HEALTH  
4 CARE INFORMATION, DATA PRIVACY AND SECURITY MEASURES,  
5 INTEROPERABLE HEALTH INFORMATION TECHNOLOGY, AND OTHER  
6 METHODS OF INCORPORATING INFORMATION TECHNOLOGY IN PURSUIT OF  
7 GREATER COST-EFFECTIVENESS AND BETTER PATIENT OUTCOMES IN  
8 HEALTH CARE AND A DECREASE IN PRICE DISPARITIES IN INSURANCE  
9 COVERAGE FOR RESIDENTS OF THIS STATE. IN DEVELOPING THE  
10 LONG-RANGE PLAN, THE COMMITTEE SHALL STUDY THE EFFECT OF HEALTH  
11 CARE INFORMATION TECHNOLOGY ON PRICE DISPARITIES IN THE DELIVERY  
12 OF HEALTH CARE SERVICES FOR RESIDENTS OF THIS STATE.

13 AS PART OF THE PROCESS OF MAKING RECOMMENDATIONS FOR  
14 INTEROPERABILITY, HEALTH INFORMATION EXCHANGE, AND HEALTH  
15 INFORMATION TECHNOLOGY, THE COMMITTEE SHALL CONSIDER UNIFORM  
16 NATIONAL STANDARDS, AS THEY ARE DEVELOPED BY THE UNITED STATES  
17 DEPARTMENT OF HEALTH AND HUMAN SERVICES, THE AMERICAN  
18 NATIONAL STANDARDS INSTITUTE, THE HEALTH INFORMATION  
19 TECHNOLOGY STANDARDS PANEL, AND OTHER NATIONAL  
20 STANDARD-SETTING ORGANIZATIONS.

21 (b) THE LONG-RANGE PLAN SHALL CONSIDER:

22 (I) MAJOR STATEWIDE HEALTH CONCERNS;

23 (II) THE AVAILABILITY AND USE OF CURRENT HEALTH RESOURCES  
24 OF THE STATE, INCLUDING RESOURCES ASSOCIATED WITH INFORMATION  
25 TECHNOLOGY AND STATE-SUPPORTED INSTITUTIONS OF HIGHER  
26 EDUCATION;     

27 (III) FUTURE HEALTH SERVICE, INFORMATION TECHNOLOGY, AND

1 FACILITY NEEDS OF THE STATE; AND

2 (IV) THE AVAILABILITY AND USE OF THE CURRENT HEALTH  
3 RESOURCES AND STRATEGIES RELATED TO STATE-SUPPORTED  
4 INSTITUTIONS OF HIGHER EDUCATION.

5 (c) THE LONG-RANGE PLAN MAY:

6 (I) PROPOSE STRATEGIES FOR THE CORRECTION OF MAJOR  
7 DEFICIENCIES IN THE SERVICE DELIVERY SYSTEM;

8 (II) PROPOSE STRATEGIES FOR INCORPORATING INFORMATION  
9 TECHNOLOGY IN THE SERVICE DELIVERY SYSTEM;

10 (III) PROPOSE STRATEGIES FOR INVOLVING STATE-SUPPORTED  
11 INSTITUTIONS OF HIGHER EDUCATION IN PROVIDING HEALTH CARE  
12 SERVICES AND FOR COORDINATING THOSE STRATEGIES WITH THE  
13 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING IN ORDER TO  
14 CLOSE GAPS IN HEALTH CARE SERVICES; ==

15 (IV) PROPOSE CHANGES TO STATE LAWS AND RULES IN ORDER TO  
16 MAKE THE LAWS CONSISTENT ON BOTH THE STATE AND INTERSTATE LEVEL  
17 IN ORDER TO ADVANCE THE INTEROPERABILITY OF HEALTH INFORMATION  
18 TECHNOLOGY;

19 (V) MAKE RECOMMENDATIONS AND PROPOSE CHANGES TO STATE  
20 PRIVACY AND SECURITY LAWS IN ORDER TO BEST SUPPORT PRIVACY AND  
21 SECURITY IN THE TRANSMISSION OF ELECTRONIC HEALTH INFORMATION AT  
22 THE STATE AND INTERSTATE LEVEL;

23 (VI) PROPOSE STRATEGIES FOR THE CORRECTION OF MAJOR  
24 DEFICIENCIES IN INFORMATION SHARING IN THE SERVICE DELIVERY  
25 SYSTEM;

26 (VII) PROVIDE DIRECTION TO THE EXECUTIVE AND LEGISLATIVE  
27 DECISION-MAKING BODIES TO IMPLEMENT THE STRATEGIES PROPOSED BY

1 THE LONG-RANGE PLAN; AND  
2 (VIII) PROPOSE STRATEGIES AND INVESTIGATE FUNDING SOURCES  
3 AND CONTINUED FINANCIAL SUPPORT FOR ANY STRATEGIES PROPOSED BY  
4 THE COMMITTEE.

5 (d) THE PLAN MAY INCLUDE ANY OTHER ISSUES OR PROPOSALS AS  
6 DETERMINED BY THE COMMITTEE.

7 (4) THERE IS HEREBY CREATED IN THE STATE TREASURY THE  
8 HEALTH INFORMATION TECHNOLOGY CASH FUND, WHICH IS AUTHORIZED  
9 TO RECEIVE GIFTS, GRANTS, AND DONATIONS FOR THE PURPOSES OF THIS  
10 PART 14 AND SECTION 25.5-5-321, C.R.S. MONEYS IN THE FUND SHALL BE  
11 SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY.

12 **25-1-1402. Western states compact on health information**  
13 **technology interoperability.** IN ADDITION TO THE DUTIES OUTLINED IN  
14 SECTION 25-1-1401, THE HEALTH INFORMATION TECHNOLOGY ADVISORY  
15 COMMITTEE SHALL PURSUE AN INTERSTATE COMPACT THAT SHALL  
16 INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING STATES: ARIZONA,  
17 KANSAS, MONTANA, OKLAHOMA, NEW MEXICO, NORTH DAKOTA, SOUTH  
18 DAKOTA, UTAH, AND WYOMING. THE INTERSTATE COMPACT SHALL  
19 INCLUDE AN AGREEMENT REGARDING HEALTH INFORMATION EXCHANGE  
20 AND HEALTH INFORMATION TECHNOLOGY INTEROPERABILITY. THE  
21 COMPACT SHALL OUTLINE THE AGREEMENT TO WORK COLLECTIVELY TO  
22 CREATE INTERNAL STATE HEALTH INFORMATION TECHNOLOGY AND  
23 HEALTH INFORMATION EXCHANGE PROGRAMS WITH THE GOAL OF  
24 CONNECTING AND EXCHANGING INFORMATION BETWEEN THE COMPACT  
25 STATES TO PROVIDE LOWER-COST, HIGHER-QUALITY, AND ACCESSIBLE  
26 HEALTH CARE SERVICES AND BENEFITS.

27 =====

1           **25-1-1403.**   **Repeal of part.**   THIS PART 14 IS REPEALED,  
2   EFFECTIVE JULY 1, 2012.

3           **SECTION 2.** Part 3 of article 5 of title 25.5, Colorado Revised  
4   Statutes, is amended BY THE ADDITION OF A NEW SECTION to  
5   read:

6           **25.5-5-321. Telemedicine - home health care - rules.** (1) ON  
7   OR AFTER JULY 1, 2007, IN-PERSON CONTACT BETWEEN A HOME HEALTH  
8   CARE OR A HOME- AND COMMUNITY-BASED SERVICES PROVIDER AND A  
9   PATIENT SHALL NOT BE REQUIRED UNDER THE STATE'S MEDICAL  
10   ASSISTANCE PROGRAM FOR HOME HEALTH CARE SERVICES OR HOME- AND  
11   COMMUNITY-BASED SERVICES DELIVERED THROUGH TELEMEDICINE THAT  
12   ARE OTHERWISE ELIGIBLE FOR REIMBURSEMENT UNDER THE PROGRAM.  
13   THE SERVICES DELIVERED THROUGH TELEMEDICINE SHALL BE SUBJECT TO  
14   REIMBURSEMENT POLICIES PROMULGATED BY RULE OF THE STATE BOARD  
15   AFTER CONSULTATION WITH HOME HEALTH CARE AND HOME- AND  
16   COMMUNITY-BASED SERVICES PROVIDERS. THIS SECTION ALSO APPLIES TO  
17   MANAGED CARE ORGANIZATIONS THAT CONTRACT WITH THE STATE  
18   DEPARTMENT PURSUANT TO THE STATEWIDE MANAGED CARE SYSTEM, BUT  
19   ONLY TO THE EXTENT THAT:

20           (a) HOME HEALTH CARE OR HOME- AND COMMUNITY-BASED  
21   SERVICES DELIVERED THROUGH TELEMEDICINE ARE COVERED BY AND  
22   REIMBURSED UNDER THE MEDICAID PER DIEM PAYMENT PROGRAM; AND

23           (b) MANAGED CARE CONTRACTS WITH MANAGED CARE  
24   ORGANIZATIONS ARE AMENDED TO ADD COVERAGE OF HOME HEALTH CARE  
25   OR HOME- AND COMMUNITY-BASED SERVICES DELIVERED THROUGH  
26   TELEMEDICINE AND ANY APPROPRIATE PER DIEM RATE ADJUSTMENTS ARE  
27   INCORPORATED.

1           (2) (a) THE REIMBURSEMENT RATE FOR HOME HEALTH CARE OR  
2 HOME- AND COMMUNITY- BASED SERVICES DELIVERED THROUGH  
3 TELEMEDICINE THAT ARE OTHERWISE ELIGIBLE FOR REIMBURSEMENT  
4 UNDER THE MEDICAL ASSISTANCE PROGRAM SHALL BE SET BY RULE OF THE  
5 STATE BOARD AND SHALL BE:

6           (I) IN THE FORM OF A FLAT FEE PER MONTH IN ONE OR MORE  
7 LEVELS, DEPENDING ON ACUITY; AND

8           (II) BUDGET-NEUTRAL OR RESULT IN COST SAVINGS TO THE  
9 PROGRAM.

10          (b) ANY COST SAVINGS IDENTIFIED PURSUANT TO THIS SECTION  
11 SHALL BE MADE AVAILABLE FOR USE IN PAYING FOR HOME- AND  
12 COMMUNITY-BASED SERVICES UNDER PART 6 OF THIS ARTICLE,  
13 COMMUNITY-BASED LONG-TERM CARE, AND HOME HEALTH SERVICES.

14          (3) WHEN SETTING THE REIMBURSEMENT RATE FOR SERVICES  
15 UNDER SUBSECTION (2) OF THIS SECTION, THE STATE BOARD SHALL  
16 CONSIDER, TO THE EXTENT APPLICABLE, REDUCTIONS IN TRAVEL COSTS BY  
17 HOME HEALTH CARE OR HOME- AND COMMUNITY-BASED SERVICE  
18 PROVIDERS TO DELIVER THE SERVICES AND SUCH OTHER FACTORS AS THE  
19 STATE DEPARTMENT DEEMS RELEVANT. REIMBURSEMENT SHALL NOT BE  
20 PROVIDED FOR PURCHASE OR LEASE OF TELEMEDICINE EQUIPMENT.

21          (4) (a) A HOME HEALTH CARE OR HOME- AND COMMUNITY-BASED  
22 SERVICES PROVIDER WHO DELIVERS SERVICES THROUGH TELEMEDICINE  
23 SHALL PROVIDE TO EACH PATIENT, BEFORE TREATING THAT PATIENT  
24 THROUGH TELEMEDICINE FOR THE FIRST TIME, THE FOLLOWING WRITTEN  
25 STATEMENTS:

26          (I) THAT THE PATIENT RETAINS THE OPTION TO REFUSE THE  
27 DELIVERY OF HOME HEALTH CARE OR HOME- AND COMMUNITY-BASED

1 SERVICES VIA TELEMEDICINE AT ANY TIME WITHOUT AFFECTING THE  
2 PATIENT'S RIGHT TO FUTURE CARE OR TREATMENT AND WITHOUT RISKING  
3 THE LOSS OR WITHDRAWAL OF ANY PROGRAM BENEFITS TO WHICH THE  
4 PATIENT WOULD OTHERWISE BE ENTITLED;

5 (II) THAT ALL APPLICABLE CONFIDENTIALITY PROTECTIONS SHALL  
6 APPLY TO THE SERVICES; AND

7 (III) THAT THE PATIENT SHALL HAVE ACCESS TO ALL MEDICAL  
8 INFORMATION RESULTING FROM THE TELEMEDICINE SERVICES AS  
9 PROVIDED BY APPLICABLE LAW FOR PATIENT ACCESS TO HIS OR HER  
10 MEDICAL RECORDS.

11 (b) THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (4)  
12 SHALL NOT APPLY IN AN EMERGENCY.

13 (5) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO:

14 (a) ALTER THE SCOPE OF PRACTICE OF ANY HOME HEALTH CARE OR  
15 HOME- AND COMMUNITY-BASED SERVICES PROVIDER; OR

16 (b) AUTHORIZE THE DELIVERY OF HOME HEALTH CARE OR HOME-  
17 AND COMMUNITY-BASED SERVICES IN A SETTING OR MANNER NOT  
18 OTHERWISE AUTHORIZED BY LAW.

19 **SECTION 3. Appropriation - adjustment to the 2007 long bill.**

20 (1) In addition to any other appropriation, there is hereby appropriated,  
21 out of any moneys in the general fund not otherwise appropriated, to the  
22 department of health care policy and financing, for allocation to the  
23 executive director's office, for the fiscal year beginning July 1, 2007, the  
24 sum of eighty-seven thousand ninety-eight dollars (\$87,098) and 1.0 FTE,  
25 or so much thereof as may be necessary, for the implementation of this  
26 act. Said sum shall be subject to the "(M)" notation as defined in the  
27 general appropriation act. In addition to said appropriation, the general

1 assembly anticipates that, for the fiscal year beginning July 1, 2007, the  
2 department of health care policy and financing will receive the sum of  
3 one hundred thirty-four thousand three hundred forty-eight dollars  
4 (\$134,348) in federal funds for the implementation of this act. Although  
5 the federal funds are not appropriated in this act, they are noted for the  
6 purpose of indicating the assumptions used relative to these funds in  
7 developing state appropriation amounts.

8 (2) In addition to any other appropriation, there is hereby  
9 appropriated, out of moneys in the general fund not otherwise  
10 appropriated, to the department of public health and environment, for  
11 allocation to the administration and support division, for the fiscal year  
12 beginning July 1, 2007, the sum of seventeen thousand seven hundred  
13 eighty dollars (\$17,780) and 0.2 FTE.

14 **SECTION 4. Appropriation - adjustment to the 2007 long bill.**

15 (1) In addition to any other appropriation, there is hereby appropriated,  
16 to the department of health care policy and financing, for allocation to the  
17 executive director's office, for the fiscal year beginning July 1, 2007, the  
18 sum of two hundred twenty-one thousand four hundred forty-six dollars  
19 (\$221,446) and 1.0 FTE, or so much thereof as may be necessary, for the  
20 implementation of this act. Of said sum, eighty-seven thousand  
21 ninety-eight dollars (\$87,098) shall be cash funds exempt from the health  
22 information technology cash fund created in section 25-1-1401, Colorado  
23 Revised Statutes, and one hundred thirty-four thousand three hundred  
24 forty-eight dollars (\$134,348) shall be from federal funds.

25 (2) In addition to any other appropriation, there is hereby  
26 appropriated, to the department of public health and environment, for  
27 allocation to the administrative and support division, for the fiscal year

1 beginning July 1, 2007, the sum of seventeen thousand seven hundred  
2 eighty dollars (\$17,780) and 0.2 FTE. Said sum shall be cash funds  
3 exempt from the health information technology cash fund created in  
4 section 25-1-1401, Colorado Revised Statutes.

5 (3) In addition to any other appropriation, there is hereby  
6 appropriated, to the department of law, for the fiscal year beginning July  
7 1, 2007, the sum of eight thousand one hundred thirty-two dollars  
8 (\$8,132), or so much thereof as may be necessary, for the provision of  
9 legal services to the department of public health and environment related  
10 to the implementation of this act. Said sum shall be cash funds exempt  
11 received from the department of public health and environment out of  
12 appropriations made in subsection (2) of this section.

13 **SECTION 5. Effective date.** (1) Except as provided in  
14 subsections (2) and (3) of this section, this act shall take effect upon  
15 passage.

16 (2) Section 4 of this act and section 25-1-1401 (4), Colorado  
17 Revised Statutes, contained in section 1 of this act shall not take effect if:

18 (a) House Bill 07-1021 is enacted at the First Regular Session of  
19 the Sixty-sixth General Assembly and becomes law;

20 (b) The final fiscal estimate for House Bill 07-1021, as  
21 determined from the appropriations enacted in said bill, shows a net  
22 reduction in the amount of general fund revenues appropriated for the  
23 state fiscal year 2007-08, that is equal to or greater than the estimated  
24 increase in the general fund appropriation in this act resulting from this  
25 act, if it takes effect, for the state fiscal year 2007-08, as reflected in the  
26 final fiscal impact statement prepared on this act by the legislative council  
27 staff; and

1           (c) The staff director of the joint budget committee files written  
2           notice with the revisor of statutes no later than July 15, 2007, that the  
3           requirement set forth in paragraph (b) of this subsection (2) has been met.

4           (3) Section 3 of this act shall not take effect if House Bill 07-1021  
5           is not enacted at the First Regular Session of the Sixty-sixth General  
6           Assembly and does not become law.

7           **SECTION 6. Safety clause.** The general assembly hereby finds,  
8           determines, and declares that this act is necessary for the immediate  
9           preservation of the public peace, health, and safety.