

**SUBSTITUTE FOR
HOUSE BILL NO. 4037**

A bill to amend 1978 PA 368, entitled
"Public health code,"
by amending sections 2501 and 2505 (MCL 333.2501 and 333.2505), as
added by 2006 PA 137, and by adding section 2508.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2501. As used in this part:

2 (a) "Commission" means the health information technology
3 commission created under section 2503.

4 (b) "Department" means the department of ~~community health~~ **and**
5 **human services.**

6 (c) "Health data utility" means a system that is operated by
7 **the health information exchange and that does all of the following:**

8 **(i) Combines and facilitates the exchange of disparate clinical**



1 and other health data for treatment, care coordination, quality
2 improvement, population health, public health emergencies, and
3 other public health and community health purposes.

4 (ii) Provides trusted data sharing organizations identified
5 under subparagraph (vi) with access to data to support care
6 coordination among participants.

7 (iii) Provides a variety of technical services from which a
8 participant may select to allow for the exchange of information
9 using multiple modalities, including, but not limited to, query
10 searches and push notifications.

11 (iv) Promotes interoperability between health care entities,
12 this state, and other participants.

13 (v) Is patient-centered and market-driven.

14 (vi) Identifies trusted data sharing organizations and only
15 allows those organizations to access and submit data.

16 (vii) Ensures that the access to and submission of data
17 complies with the laws of this state and federal laws related to
18 health information.

19 (d) "Health information exchange" means the nonprofit entity
20 that operates an inclusive health information technology
21 infrastructure in this state that serves as a health data
22 aggregator and that is enabled to collect, normalize, and share
23 disparate health data content from a diverse set of health data
24 sources.

25 Sec. 2505. (1) The commission shall, **in consultation with the**
26 **department**, do each of the following:

27 (a) Develop and maintain a strategic plan in accordance with
28 subsection (2) to guide the implementation of an interoperable
29 ~~health information technology system~~ **data utility** that ~~will reduce~~



1 ~~reduces~~ medical errors, ~~improve~~**improves** quality of care, and
 2 ~~produce~~**produces** greater value for health care expenditures.

3 (b) Identify critical technical, scientific, economic, and
 4 other ~~critical~~ issues affecting the public and private adoption of
 5 health information technology.

6 (c) Provide recommendations on policies and measures necessary
 7 to achieve widespread adoption of health information technology.

8 (d) Increase the public's understanding of health information
 9 technology.

10 (e) Promote more efficient and effective communication among
 11 multiple health care providers, including, but not limited to,
 12 hospitals, physicians, payers, employers, pharmacies, laboratories,
 13 and any other health care **related** entity.

14 (f) Identify strategies to improve the ability to monitor
 15 community health status.

16 (g) Develop or design ~~any~~ other initiatives in furtherance of
 17 the commission's purpose.

18 (h) Annually, report and make recommendations to the
 19 chairpersons of the standing committees of the house of
 20 representatives and senate with jurisdiction over issues pertaining
 21 to community health and information technology, the house of
 22 representatives and senate appropriations subcommittees on
 23 community health and information technology, and the senate and
 24 house fiscal agencies.

25 (i) Perform ~~any and~~ all other activities in furtherance of ~~the~~
 26 ~~above~~**the actions under subdivisions (a) to (h)** or as directed by
 27 the department or the department of ~~information technology,~~
 28 **technology, management, and budget,** or both.

29 (2) The strategic plan developed ~~pursuant to~~**under** subsection



1 (1)(a) ~~shall~~**must** include, at a minimum, each of the following:

2 (a) The development or adoption of health care information
3 technology standards and strategies.

4 (b) The ability to base medical decisions on the availability
5 of information at the time and place of care.

6 (c) The use of evidence-based medical care.

7 (d) Measures to protect the privacy and security of personal
8 health information.

9 (e) Measures to prevent unauthorized access to health
10 information.

11 (f) Measures to ensure accurate patient identification.

12 (g) Methods to facilitate secure patient access to health
13 information.

14 (h) Measures to reduce health care costs by addressing
15 inefficiencies, redundancy in data capture and storage, medical
16 errors, inappropriate care, incomplete information, and
17 administrative, billing, and data collection costs.

18 (i) Incorporating health information technology into the
19 provision of care and the organization of the health care
20 workplace.

21 (j) The ability to identify priority areas in which health
22 information technology can provide benefits to consumers and a
23 recommended timeline for implementation.

24 (k) Measurable outcomes.

25 **Sec. 2508. (1) In accordance with the management and budget**
26 **act, 1984 PA 431, MCL 18.1101 to 18.1594, and no later than March**
27 **1, 2026, a request for proposal must be issued to select an**
28 **established, Michigan-based health information exchange that**
29 **operates throughout this state to operate a health data utility in**



1 this state. At a minimum, the request for proposal and any
2 resulting contract must require the health information exchange to
3 comply with all the federal laws and the laws of this state that
4 pertain to cyber security and data protection.

5 (2) The health information exchange selected under subsection
6 (1) must meet all of the following requirements:

7 (a) Is able to route relevant real-time data throughout this
8 state.

9 (b) Is able to allow health-focused programs access to
10 relevant data to improve health care services in compliance with
11 federal law and the laws of this state.

12 (c) Is able to improve the quality of health care in this
13 state by increasing public health monitoring efforts, incorporating
14 public health data into electronic records, and allowing for the
15 coordination of care in clinical and social decision-making
16 efforts.

17 (d) Complies with all applicable federal laws and the laws of
18 this state regarding standards-based health data exchange,
19 including, but not limited to, adherence to cybersecurity and data
20 protection requirements required by law.

21 (e) Has a governing board with representatives that have
22 expertise in public health or are associated with the department,
23 the commission, a hospital, a health plan, a human services
24 organization, a physician organization, or a pharmacy.

25 (f) Maintains a high-level of cybersecurity standards,
26 including, but not limited to, a certification from HITRUST
27 Alliance or a similar certification that, through a third-party
28 assessment, requires an organization to demonstrate compliance with
29 Common Security Framework (CSF) and requires adherence to industry



1 best practices and standards.

2 (g) Is a nonprofit, Michigan-based health information exchange
3 that operates throughout this state and has technical connections
4 to a significant percentage of health care providers, public health
5 agencies, and payors in this state.

6 (h) Has a technology infrastructure that includes all of the
7 following to provide a high-level of protection of patient data:

8 (i) Advanced identity management.

9 (ii) Patient consent management that allows the patient to
10 manage the patient's consent practices.

11 (iii) Patient matching.

12 (iv) Strict audit logs and role-based access controls that
13 include, but are not limited to, both of the following protections
14 for all patients:

15 (A) The ability to request an accounting of disclosures.

16 (B) Access to reporting mechanisms to review data access logs.

17 (i) Provides all patients, through a clear and conspicuous
18 process, the ability to opt out of data sharing through the health
19 data utility at any time.

20 (j) On the request of a patient or, if a patient is unable to
21 participate in medical treatment decisions, the patient's patient
22 advocate, provides the patient or the patient advocate, at no cost,
23 with a record of the disclosures of protected health information
24 that were made during the 6 years preceding the request.