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BILL ANALYSIS

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House Bill 6039 (Substitute H-2 as reported without amendment)
Sponsor: Representative Gary A. Newell
House Committee: Health Policy
Senate Committee: Health Policy

CONTENT

The bill would amend Part 25 (Health Information Technology) of the Public Health Code to establish in the Department of Community Health (DCH) the "Healthcare Information Technology and Infrastructure Development Fund" to promote the development and adoption of health care information technologies designed to improve the quality, safety, and efficiency of health care services.

The Fund would be administered by the Health Information Technology Commission. Money in the Fund would have to be used for established regional health information organizations and other projects authorized by the Commission. Fund money could be spent by contract, loan, or grant, to develop, maintain, expand, and improve the State's health care information technology infrastructure and to assist health care facilities and health service providers in adopting health care information technologies.

The bill would authorize a health insurer, health maintenance organization, health plan, or nonprofit health care corporation (Blue Cross and Blue Shield of Michigan) to allocate money derived from the collection of premiums to the Fund.

Commission members, employees, and agents would be subject to conflict of interest provisions of the bill. Also, when authorizing expenditures and investments under Part 25, the Commission could not consider whether a recipient had made a contribution or expenditure under the Michigan Campaign Finance Act. Expenditures under Part 25 could not be used to finance or influence political activities.

Proposed MCL 333.2511

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

While the bill would establish the Healthcare Information Technology and Infrastructure Development Fund and specifies the processes through which grants could be distributed from the Fund, it does not identify a specific funding source for these grants. Passage of the bill would create a minor increase in administrative cost for the Department of Community Health related to managing the distribution of resources from the Fund (if money for grants became available) and fulfilling the reporting requirements established in the bill. The FY 2006-07 Department of Community Health appropriation provided \$9.0 million Gross/\$7.25 million GF/GP for efforts to increase health care information technology capacity in Michigan.

Date Completed: 12-4-06

Fiscal Analyst: David Fosdick