

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 657** HLS 18RS 278
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 11, 2018	8:44 AM	Author: SIMON
Dept./Agy.: LA Dept. of Health		Analyst: Zachary Rau
Subject: Interoperability of Electronic Health Records		

HEALTH CARE/RECORDS OR +\$206,225 GF EX See Note Page 1 of 1
 Requires interoperability of electronic health records

Proposed law requires all hospitals and health care providers to implement an interoperable electronic health records system. Proposed law requires collaboration between the LA Dept. of Health and the Health Care Information Technology and Infrastructure Collaborative to develop a plan to implement the system. Proposed law provides for requirements of interoperable electronic health records requirements. Proposed law defines certain terms.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$206,225	\$193,725	\$193,725	\$193,725	\$193,725	\$981,125
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$618,675	\$581,175	\$581,175	\$581,175	\$581,175	\$2,943,375
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$824,900	\$774,900	\$774,900	\$774,900	\$774,900	\$3,924,500
REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will increase total expenditures for the LA Dept. of Health by an estimated \$824,900 (\$206,225 SGF, \$618,675 federal funds) in FY 19 and by an estimated \$774,900 (\$193,725 SGF, \$581,175 federal funds) in FY 20 and in subsequent fiscal years. The proposed legislation requires LDH to develop standards and a plan to implement interoperable health records systems statewide.

LDH reports that it is currently collaborating with the Health Information Technology Advisory Committee (HITAC), as well as contracted with Myers & Stauffer to perform most of the functions outlined in the bill, such as providing technical support to health care providers regarding the implementation of health information technology, providing educational resources to health care providers regarding health information technology, and development of the Health Information Technology Road Map, which is the department's strategic plan for implementation of health information technology statewide. LDH would incur expenditures associated with the proposed law's monitoring and evaluation activities regarding how interoperable health records affect the cost, delivery, and quality of care, which represent new duties for the department.

LDH reports that it would amend existing contracts with Myers & Stauffer to perform the monitoring and evaluation activities contemplated in proposed law, which would carry initial costs for the department of \$824,900 in FY 19. Included in the initial expenditures is a systems costs of approximately \$50,000 associated with up-front programming and coding to allow for the monitoring of electronic health records data. Ongoing data monitoring and evaluation costs associated with tracking how interoperable health records affect the cost, delivery, and quality of care will be incurred beginning in FY 19 and in subsequent fiscal years total approximately \$774,900 based on Myers & Stauffer estimates of 3,780 hours for the new duties at the hourly rate of \$205.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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