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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH  
SESSION

HOUSE FILE No. **1322**

March 5, 2009

Authored by Thissen

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight

March 25, 2009

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Civil Justice

April 1, 2009

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

1.1 A bill for an act  
1.2 relating to health; changing provisions for health information technology and  
1.3 infrastructure; establishing an e-health advisory committee; changing electronic  
1.4 health records provisions; changing electronic health record system revolving  
1.5 account and loan program; modifying electronic prescribing provisions;  
1.6 amending Minnesota Statutes 2008, sections 62J.495; 62J.496; 62J.497,  
1.7 subdivisions 1, 2.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. Minnesota Statutes 2008, section 62J.495, is amended to read:

1.10 **62J.495 HEALTH INFORMATION TECHNOLOGY AND**  
1.11 **INFRASTRUCTURE.**

1.12 Subdivision 1. **Implementation.** By January 1, 2015, all hospitals and health care  
1.13 providers must have in place an interoperable electronic health records system within their  
1.14 hospital system or clinical practice setting. The commissioner of health, in consultation  
1.15 with the e-Health Information Technology and Infrastructure Advisory Committee,  
1.16 shall develop a statewide plan to meet this goal, including uniform standards to be used  
1.17 for the interoperable system for sharing and synchronizing patient data across systems.  
1.18 The standards must be compatible with federal efforts. The uniform standards must be  
1.19 developed by January 1, 2009, ~~with a status report on the development of these standards~~  
1.20 ~~submitted to the legislature by January 15, 2008~~ and updated on an ongoing basis. The  
1.21 commissioner shall include an update on standards development as part of an annual  
1.22 report to the legislature.

1.23 Subd. 1a. **Definitions.** (a) "Certified electronic health record technology" means an  
1.24 electronic health record that is certified pursuant to section 3001(c)(5) of the HITECH

2.1 Act to meet the standards and implementation specifications adopted under section 3004  
 2.2 as applicable.

2.3 (b) "Commissioner" means the commissioner of health.

2.4 (c) "Electronic data intermediary" means any entity that provides the infrastructure to  
 2.5 connect computer systems or other electronic devices utilized by prescribing practitioners  
 2.6 with those used by pharmacies, health plans, third party administrators, and pharmacy  
 2.7 benefit manager in order to facilitate the secure transmission of electronic prescriptions,  
 2.8 refill authorization requests, communications, and other prescription-related information  
 2.9 between such entities.

2.10 (d) "HITECH Act" means the Health Information Technology for Economic and  
 2.11 Clinical Health Act in division A, title XIII and division B, title IV of the American  
 2.12 Recovery and Reinvestment Act of 2009, including federal regulations adopted under  
 2.13 that act.

2.14 (e) "Interoperable electronic health record" means an electronic health record that  
 2.15 securely exchanges health information with another electronic health record system that  
 2.16 meets national requirements for certification under the HITECH Act.

2.17 (f) "Qualified electronic health record" means an electronic record of health-related  
 2.18 information on an individual that includes patient demographic and clinical health  
 2.19 information and has the capacity to:

2.20 (1) provide clinical decision support;

2.21 (2) support physician order entry;

2.22 (3) capture and query information relevant to health care quality; and

2.23 (4) exchange electronic health information with, and integrate such information  
 2.24 from, other sources.

2.25 Subd. 2. ~~E-Health Information Technology and Infrastructure Advisory~~  
 2.26 **Committee.** (a) The commissioner shall establish a ~~an e-Health Information Technology~~  
 2.27 ~~and Infrastructure Advisory Committee~~ governed by section 15.059 to advise the  
 2.28 commissioner on the following matters:

2.29 (1) assessment of the adoption and effective use of health information technology by  
 2.30 the state, licensed health care providers and facilities, and local public health agencies;

2.31 (2) recommendations for implementing a statewide interoperable health information  
 2.32 infrastructure, to include estimates of necessary resources, and for determining standards  
 2.33 for ~~administrative~~ clinical data exchange, clinical support programs, patient privacy  
 2.34 requirements, and maintenance of the security and confidentiality of individual patient  
 2.35 data;

3.1 (3) recommendations for encouraging use of innovative health care applications  
3.2 using information technology and systems to improve patient care and reduce the cost  
3.3 of care, including applications relating to disease management and personal health  
3.4 management that enable remote monitoring of patients' conditions, especially those with  
3.5 chronic conditions; and

3.6 (4) other related issues as requested by the commissioner.

3.7 (b) The members of the ~~e-Health Information Technology and Infrastructure~~  
3.8 Advisory Committee shall include the commissioners, or commissioners' designees, of  
3.9 health, human services, administration, and commerce and additional members to be  
3.10 appointed by the commissioner to include persons representing Minnesota's local public  
3.11 health agencies, licensed hospitals and other licensed facilities and providers, private  
3.12 purchasers, the medical and nursing professions, health insurers and health plans, the  
3.13 state quality improvement organization, academic and research institutions, consumer  
3.14 advisory organizations with an interest and expertise in health information technology, and  
3.15 other stakeholders as identified by the ~~Health Information Technology and Infrastructure~~  
3.16 ~~Advisory Committee~~ commissioner to fulfill the requirements of section 3013, paragraph  
3.17 (g) of the HITECH Act.

3.18 (c) The commissioner shall prepare and issue an annual report not later than January  
3.19 30 of each year outlining progress to date in implementing a statewide health information  
3.20 infrastructure and recommending ~~future projects~~ action on policy and necessary resources  
3.21 to continue the promotion of adoption and effective use of health information technology.

3.22 (d) Notwithstanding section 15.059, this subdivision expires June 30, 2015.

3.23 Subd. 3. **Interoperable electronic health record requirements.** ~~(a)~~ To meet the  
3.24 requirements of subdivision 1, hospitals and health care providers must meet the following  
3.25 criteria when implementing an interoperable electronic health records system within their  
3.26 hospital system or clinical practice setting.

3.27 (a) The electronic health record must be a qualified electronic health record.

3.28 (b) The electronic health record must be certified by the ~~Certification Commission~~  
3.29 ~~for Healthcare Information Technology, or its successor~~ Office of the National Coordinator  
3.30 pursuant to the HITECH Act. This criterion only applies to hospitals and health care  
3.31 providers ~~whose practice setting is a practice setting covered by the Certification~~  
3.32 ~~Commission for Healthcare Information Technology certifications~~ only if a certified  
3.33 electronic health record product for the provider's particular practice setting is available.  
3.34 This criterion shall be considered met if a hospital or health care provider is using an  
3.35 electronic health records system that has been certified within the last three years, even if a  
3.36 more current version of the system has been certified within the three-year period.

4.1 (c) The electronic health record must meet the standards established according to  
4.2 section 3004 of the HITECH Act as applicable.

4.3 (d) The electronic health record must have the ability to generate information on  
4.4 clinical quality measures and other measures reported under sections 4101, 4102, and  
4.5 4201 of the HITECH Act.

4.6 ~~(e)~~ (e) A health care provider who is a prescriber or dispenser of ~~controlled~~  
4.7 substances legend drugs must have an electronic health record system that meets the  
4.8 requirements of section 62J.497.

4.9 Subd. 4. **Coordination with national HIT activities.** (a) The commissioner,  
4.10 in consultation with the e-Health Advisory Committee, shall update the statewide  
4.11 implementation plan required under subdivision 2 and released June 2008, to be consistent  
4.12 with the updated Federal HIT Strategic Plan released by the Office of the National  
4.13 Coordinator in accordance with section 3001 of the HITECH Act. The statewide plan  
4.14 shall meet the requirements for a plan required under section 3013 of the HITECH Act.

4.15 (b) The commissioner, in consultation with the e-Health Advisory Committee, shall  
4.16 work to ensure coordination between state, regional, and national efforts to support and  
4.17 accelerate efforts to effectively use health information technology to improve the quality  
4.18 and coordination of health care and continuity of patient care among health care providers,  
4.19 to reduce medical errors, to improve population health, to reduce health disparities, and  
4.20 to reduce chronic disease. The commissioner's coordination efforts shall include but not  
4.21 be limited to:

4.22 (1) assisting in the development and support of health information technology  
4.23 regional extension centers established under section 3012(c) of the HITECH Act to  
4.24 provide technical assistance and disseminate best practices; and

4.25 (2) providing supplemental information to the best practices gathered by regional  
4.26 centers to ensure that the information is relayed in a meaningful way to the Minnesota  
4.27 health care community.

4.28 (c) The commissioner, in consultation with the e-Health Advisory Committee, shall  
4.29 monitor national activity related to health information technology and shall coordinate  
4.30 statewide input on policy development. The commissioner shall coordinate statewide  
4.31 responses to proposed federal regulations in order to ensure that the needs of the  
4.32 Minnesota health care community are adequately and efficiently addressed in the proposed  
4.33 regulations. The commissioner's responses may include, but are not limited to:

4.34 (1) reviewing and evaluating any standard, implementation specification, or  
4.35 certification criteria proposed by the national HIT standards committee;

5.1 (2) reviewing and evaluating policy proposed by the national HIT policy  
5.2 committee relating to the implementation of a nationwide health information technology  
5.3 infrastructure;

5.4 (3) monitoring and responding to activity related to the development of quality  
5.5 measures and other measures as required by section 4101 of the HITECH Act. Any  
5.6 response related to quality measures shall consider and address the quality efforts required  
5.7 under chapter 62U; and

5.8 (4) monitoring and responding to national activity related to privacy, security, and  
5.9 data stewardship of electronic health information and individually identifiable health  
5.10 information.

5.11 (d) To the extent that the state is either required or allowed to apply, or designate an  
5.12 entity to apply for or carry out activities and programs under section 3013 of the HITECH  
5.13 Act, the commissioner of health, in consultation with the e-Health Advisory Committee  
5.14 and the commissioner of human services, shall be the lead applicant or sole designating  
5.15 authority. The commissioner shall make such designations consistent with the goals and  
5.16 objectives of sections 62J.495 to 62J.497, and sections 62J.50 to 62J.61.

5.17 (e) The commissioner of human services shall apply for funding necessary to  
5.18 administer the incentive payments to providers authorized under title IV of the American  
5.19 Recovery and Reinvestment Act.

5.20 (f) The commissioner shall include in the report to the legislature information on the  
5.21 activities of this subdivision and provide recommendations on any relevant policy changes  
5.22 that should be considered in Minnesota.

5.23 **Subd. 5. Collection of data for assessment and eligibility determination.** (a) The  
5.24 commissioner of health, in consultation with the commissioner of human services, may  
5.25 require providers, dispensers, group purchasers, and electronic data intermediaries to  
5.26 submit data in a form and manner specified by the commissioner to assess the status of  
5.27 adoption, effective use, and interoperability of electronic health records for the purpose of:

5.28 (1) demonstrating Minnesota's progress on goals established by the Office of the  
5.29 National Coordinator to accelerate the adoption and effective use of health information  
5.30 technology established under the HITECH Act;

5.31 (2) assisting the Center for Medicare and Medicaid Services and Department of  
5.32 Human Services in determining eligibility of health care professionals and hospitals  
5.33 to receive federal incentives for the adoption and effective use of health information  
5.34 technology under the HITECH Act or other federal incentive programs;

5.35 (3) assisting the Office of the National Coordinator in completing required  
5.36 assessments of the impact of the implementation and effective use of health information

6.1 technology in achieving goals identified in the national strategic plan, and completing  
 6.2 studies required by the HITECH Act;

6.3 (4) providing the data necessary to assist the Office of the National Coordinator in  
 6.4 conducting evaluations of regional extension centers as required by the HITECH Act; and

6.5 (5) other purposes as necessary to support the implementation of the HITECH Act.

6.6 (b) The commissioner shall coordinate with the commissioner of human services  
 6.7 and other state agencies in the collection of data required under this section to:

6.8 (1) avoid duplicative reporting requirements;

6.9 (2) maximize efficiencies in the development of reports on state activities as  
 6.10 required by HITECH; and

6.11 (3) determine health professional and hospital eligibility for incentives available  
 6.12 under the HITECH Act.

6.13 Subd. 6. **Data classification.** (a) Data collected on providers, dispensers, group  
 6.14 purchasers, and electronic data intermediaries under this section are private data on  
 6.15 individuals or nonpublic data, as defined in section 13.02. Notwithstanding the definition  
 6.16 of summary data in section 13.02, subdivision 19, summary data prepared under this  
 6.17 subdivision may be derived from nonpublic data.

6.18 (b) Nothing in this section authorizes the collection of individual patient data.

6.19 Sec. 2. Minnesota Statutes 2008, section 62J.496, is amended to read:

6.20 **62J.496 ELECTRONIC HEALTH RECORD SYSTEM REVOLVING**  
 6.21 **ACCOUNT AND LOAN PROGRAM.**

6.22 Subdivision 1. **Account establishment.** (a) An account is established to: ~~provide~~  
 6.23 ~~loans to eligible borrowers to assist in financing the installation or support of an~~  
 6.24 ~~interoperable health record system. The system must provide for the interoperable~~  
 6.25 ~~exchange of health care information between the applicant and, at a minimum, a hospital~~  
 6.26 ~~system, pharmacy, and a health care clinic or other physician group.~~

6.27 (1) finance the purchase of certified electronic health records or qualified electronic  
 6.28 health records as defined in section 62J.495, subdivision 1a;

6.29 (2) enhance the utilization of electronic health record technology, which may include  
 6.30 costs associated with upgrading the technology to meet the criteria necessary to be a  
 6.31 certified electronic health record or a qualified electronic health record;

6.32 (3) train personnel in the use of electronic health record technology; and

6.33 (4) improve the secure electronic exchange of health information.

6.34 (b) Amounts deposited in the account, including any grant funds obtained through  
 6.35 federal or other sources, loan repayments, and interest earned on the amounts shall be

7.1 used only for awarding loans or loan guarantees, as a source of reserve and security for  
7.2 leveraged loans, or for the administration of the account.

7.3 (c) The commissioner may accept contributions to the account from private sector  
7.4 entities subject to the following provisions:

7.5 (1) the contributing entity may not specify the recipient or recipients of any loan  
7.6 issued under this subdivision;

7.7 (2) the commissioner shall make public the identity of any private contributor to the  
7.8 loan fund, as well as the amount of the contribution provided; and

7.9 (3) the commissioner may issue letters of commendation or make other awards that  
7.10 have no financial value to any such entity.

7.11 A contributing entity may not specify that the recipient or recipients of any loan use  
7.12 specific products or services, nor may the contributing entity imply that a contribution is  
7.13 an endorsement of any specific product or service.

7.14 (d) The commissioner may use the loan funds to reimburse private sector entities  
7.15 for any contribution made to the loan fund. Reimbursement to private entities may not  
7.16 exceed the principle amount contributed to the loan fund.

7.17 (e) The commissioner may use funds deposited in the account to guarantee, or  
7.18 purchase insurance for, a local obligation if the guarantee or purchase would improve  
7.19 credit market access or reduce the interest rate applicable to the obligation involved.

7.20 (f) The commissioner may use funds deposited in the account as a source of revenue  
7.21 or security for the payment of principal and interest on revenue or bonds issued by the  
7.22 state if the proceeds of the sale of the bonds will be deposited into the loan fund.

7.23 Subd. 2. **Eligibility.** (a) "Eligible borrower" means one of the following:

7.24 (1) federally qualified health centers;

7.25 ~~(1)~~ (2) community clinics, as defined under section 145.9268;

7.26 ~~(2)~~ (3) hospitals eligible for rural hospital capital improvement grants, as defined  
7.27 in section 144.148;

7.28 ~~(3) physician clinics located in a community with a population of less than 50,000~~  
7.29 ~~according to United States Census Bureau statistics and outside the seven-county~~  
7.30 ~~metropolitan area;~~

7.31 (4) individual or small group physician practices that are focused primarily on  
7.32 primary care;

7.33 ~~(4)~~ (5) nursing facilities licensed under sections 144A.01 to 144A.27; and

7.34 (6) local public health departments as defined in chapter 145A; and

8.1 ~~(5)~~ (7) other providers of health or health care services approved by the  
 8.2 commissioner for which interoperable electronic health record capability would improve  
 8.3 quality of care, patient safety, or community health.

8.4 (b) The commissioner shall administer the loan fund to prioritize support and  
 8.5 assistance to:

8.6 (1) critical access hospitals;

8.7 (2) federally qualified health centers;

8.8 (3) entities that serve uninsured, underinsured, and medically underserved  
 8.9 individuals, regardless of whether such area is urban or rural; and

8.10 (4) individual or small group practices that are primarily focused on primary care.

8.11 ~~(b) To be eligible for a loan under this section, the~~ (c) An eligible applicant must  
 8.12 submit a loan application to the commissioner of health on forms prescribed by the  
 8.13 commissioner. The application must include, at a minimum:

8.14 (1) the amount of the loan requested and a description of the purpose or project  
 8.15 for which the loan proceeds will be used;

8.16 (2) a quote from a vendor;

8.17 (3) a description of the health care entities and other groups participating in the  
 8.18 project;

8.19 (4) evidence of financial stability and a demonstrated ability to repay the loan; and

8.20 (5) a description of how the system to be financed ~~interconnects~~ interoperates or  
 8.21 plans in the future to ~~interconnect~~ interoperate with other health care entities and provider  
 8.22 groups located in the same geographical area;

8.23 (6) a plan on how the certified electronic health record technology will be maintained  
 8.24 and supported over time; and

8.25 (7) any other requirements for applications included or developed pursuant to  
 8.26 section 3014 of the HITECH Act.

8.27 Subd. 3. **Loans.** (a) The commissioner of health may make a no interest, or low  
 8.28 interest, loan to a provider or provider group who is eligible under subdivision 2 ~~on a~~  
 8.29 ~~first-come, first-served basis provided that the applicant is able to comply with this section~~  
 8.30 consistent with the priorities established in subdivision 2. The total accumulative loan  
 8.31 principal must not exceed ~~\$1,500,000~~ \$3,000,000 per loan. The interest rate for each  
 8.32 loan, if imposed, shall not exceed the current market interest rate. The commissioner of  
 8.33 health has discretion over the size, interest rate, and number of loans made. Nothing in  
 8.34 this section shall require the commissioner to make a loan to an eligible borrower under  
 8.35 subdivision 2.

9.1 (b) The commissioner of health may prescribe forms and establish an application  
9.2 process and, notwithstanding section 16A.1283, may impose a reasonable nonrefundable  
9.3 application fee to cover the cost of administering the loan program. Any application  
9.4 fees imposed and collected under the electronic health records system revolving account  
9.5 and loan program in this section are appropriated to the commissioner of health for the  
9.6 duration of the loan program. The commissioner may apply for and use all federal funds  
9.7 available through the HITECH Act to administer the loan program.

9.8 (c) For loans approved prior to July 1, 2009, the borrower must begin repaying the  
9.9 principal no later than two years from the date of the loan. Loans must be amortized no  
9.10 later than six years from the date of the loan.

9.11 (d) For loans granted on January 1, 2010, or thereafter, the borrower must begin  
9.12 repaying the principle no later than one year from the date of the loan. Loans must be  
9.13 amortized no later than six years after the date of the loan.

9.14 ~~(d) Repayments~~ (e) All repayments and interest paid on each loan must be credited  
9.15 to the account.

9.16 (f) The loan agreement shall include the assurances that borrower meets requirements  
9.17 included or developed pursuant to section 3014 of the HITECH Act. The requirements  
9.18 shall include, but are not limited to:

9.19 (1) submitting reports on quality measures in compliance with regulations adopted  
9.20 by the federal government;

9.21 (2) demonstrating that any certified electronic health record technology purchased,  
9.22 improved, or otherwise financially supported by this loan program is used to exchange  
9.23 health information in a manner that, in accordance with law and standards applicable to  
9.24 the exchange of information, improves the quality of health care;

9.25 (3) including a plan on how the borrower intends to maintain and support the  
9.26 certified electronic health record technology over time and the resources expected to be  
9.27 used to maintain and support the technology purchased with the loan; and

9.28 (4) complying with other requirements the secretary may require to use loans funds  
9.29 under the HITECH Act.

9.30 Subd. 4. **Data classification.** Data collected by the commissioner of health on the  
9.31 application to determine eligibility under subdivision 2 and to monitor borrowers' default  
9.32 risk or collect payments owed under subdivision 3 are (1) private data on individuals as  
9.33 defined in section 13.02, subdivision 12; and (2) nonpublic data as defined in section  
9.34 13.02, subdivision 9. The names of borrowers and the amounts of the loans granted  
9.35 are public data.

10.1 Sec. 3. Minnesota Statutes 2008, section 62J.497, subdivision 1, is amended to read:

10.2 Subdivision 1. **Definitions.** For the purposes of this section, the following terms  
10.3 have the meanings given.

10.4 ~~(a)~~ (a) "Backward compatible" means that the newer version of a data transmission  
10.5 standard would retain, at a minimum, the full functionality of the versions previously  
10.6 adopted, and would permit the successful completion of the applicable transactions with  
10.7 entities that continue to use the older versions.

10.8 ~~(a)~~ (b) "Dispense" or "dispensing" has the meaning given in section 151.01,  
10.9 subdivision 30. Dispensing does not include the direct administering of a controlled  
10.10 substance to a patient by a licensed health care professional.

10.11 ~~(b)~~ (c) "Dispenser" means a person authorized by law to dispense a controlled  
10.12 substance, pursuant to a valid prescription.

10.13 ~~(c)~~ (d) "Electronic media" has the meaning given under Code of Federal Regulations,  
10.14 title 45, part 160.103.

10.15 ~~(d)~~ (e) "E-prescribing" means the transmission using electronic media of prescription  
10.16 or prescription-related information between a prescriber, dispenser, pharmacy benefit  
10.17 manager, or group purchaser, either directly or through an intermediary, including  
10.18 an e-prescribing network. E-prescribing includes, but is not limited to, two-way  
10.19 transmissions between the point of care and the dispenser and two-way transmissions  
10.20 related to eligibility, formulary, and medication history information.

10.21 ~~(e)~~ (f) "Electronic prescription drug program" means a program that provides for  
10.22 e-prescribing.

10.23 ~~(f)~~ (g) "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

10.24 ~~(g)~~ (h) "HL7 messages" means a standard approved by the standards development  
10.25 organization known as Health Level Seven.

10.26 ~~(h)~~ (i) "National Provider Identifier" or "NPI" means the identifier described under  
10.27 Code of Federal Regulations, title 45, part 162.406.

10.28 ~~(i)~~ (j) "NCPDP" means the National Council for Prescription Drug Programs, Inc.

10.29 ~~(j)~~ (k) "NCPDP Formulary and Benefits Standard" means the National Council for  
10.30 Prescription Drug Programs Formulary and Benefits Standard, Implementation Guide,  
10.31 Version 1, Release 0, October 2005.

10.32 ~~(k)~~ (l) "NCPDP SCRIPT Standard" means the National Council for Prescription  
10.33 Drug Programs Prescriber/Pharmacist Interface SCRIPT Standard, Implementation  
10.34 Guide Version 8, Release 1 (Version 8.1), October 2005, or the most recent standard  
10.35 adopted by the Centers for Medicare and Medicaid Services for e-prescribing under  
10.36 Medicare Part D as required by section 1860D-4(e)(4)(D) of the Social Security Act, and

11.1 regulations adopted under it. The standards shall be implemented according to the Centers  
 11.2 for Medicare and Medicaid Services schedule for compliance. Subsequently released  
 11.3 versions of the NCPDP SCRIPT Standard may be used, provided that the new version  
 11.4 of the standard is backward compatible to the current version adopted by the Centers for  
 11.5 Medicare and Medicaid Services.

11.6 ~~(h)~~ (m) "Pharmacy" has the meaning given in section 151.01, subdivision 2.

11.7 ~~(m)~~ (n) "Prescriber" means a licensed health care professional who is authorized to  
 11.8 prescribe a controlled substance under section 152.12, subdivision 1.

11.9 ~~(n)~~ (o) "Prescription-related information" means information regarding eligibility for  
 11.10 drug benefits, medication history, or related health or drug information.

11.11 ~~(o)~~ (p) "Provider" or "health care provider" has the meaning given in section 62J.03,  
 11.12 subdivision 8.

11.13 Sec. 4. Minnesota Statutes 2008, section 62J.497, subdivision 2, is amended to read:

11.14 Subd. 2. **Requirements for electronic prescribing.** (a) Effective January 1, 2011,  
 11.15 all providers, group purchasers, prescribers, and dispensers must establish ~~and~~ <sup>and</sup> maintain,  
 11.16 and use an electronic prescription drug program that complies. This program must comply  
 11.17 with the applicable standards in this section for transmitting, directly or through an  
 11.18 intermediary, prescriptions and prescription-related information using electronic media.

11.19 (b) ~~Nothing in this section requires providers, group purchasers, prescribers, or~~  
 11.20 ~~dispensers to conduct the transactions described in this section.~~ If transactions described in  
 11.21 this section are conducted, they must be done electronically using the standards described  
 11.22 in this section. Nothing in this section requires providers, group purchasers, prescribers,  
 11.23 or dispensers to electronically conduct transactions that are expressly prohibited by other  
 11.24 sections or federal law.

11.25 (c) Providers, group purchasers, prescribers, and dispensers must use either HL7  
 11.26 messages or the NCPDP SCRIPT Standard to transmit prescriptions or prescription-related  
 11.27 information internally when the sender and the recipient are part of the same legal entity. If  
 11.28 an entity sends prescriptions outside the entity, it must use the NCPDP SCRIPT Standard  
 11.29 or other applicable standards required by this section. Any pharmacy within an entity  
 11.30 must be able to receive electronic prescription transmittals from outside the entity using  
 11.31 the adopted NCPDP SCRIPT Standard. This exemption does not supersede any Health  
 11.32 Insurance Portability and Accountability Act (HIPAA) requirement that may require the  
 11.33 use of a HIPAA transaction standard within an organization.

11.34 ~~(d) Entities transmitting prescriptions or prescription-related information where the~~  
 11.35 ~~prescriber is required by law to issue a prescription for a patient to a nonprescribing~~

- 12.1 ~~provider that in turn forwards the prescription to a dispenser are exempt from the~~
- 12.2 ~~requirement to use the NCPDP SCRIPT Standard when transmitting prescriptions or~~
- 12.3 ~~prescription-related information.~~