

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 953

Introduced by Howard, 9.

Read first time January 16, 2014

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to insurance; to amend section 77-912, Revised
2 Statutes Cumulative Supplement, 2012; to adopt the Health
3 Information Initiative Act; to provide funding; to
4 provide operative dates; to repeal the original section;
5 and to declare an emergency.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 4 of this act shall be known and
2 may be cited as the Health Information Initiative Act.

3 Sec. 2. For purposes of the Health Information Initiative
4 Act:

5 (1) Health information initiative means a public-private
6 statewide initiative that operates a health information exchange
7 which facilitates the secure exchange of clinical information among
8 physicians and other health care providers in real time at the point
9 of care;

10 (2) Health insurance means expense-incurred individual or
11 group sickness and accident insurance policy, health maintenance
12 organization contract, subscriber contract, or self-funded employee
13 benefit plan to the extent not preempted by federal law, except for
14 any policy or contract that provides coverage only for excepted
15 benefits as defined in the federal Health Insurance Portability and
16 Accountability Act of 1996, 29 U.S.C. 1191b, and regulations adopted
17 pursuant to the act, as such act and regulations existed on January
18 1, 2014, or any policy or contract that provides coverage for a
19 specified disease or other limited-benefit coverage. Health insurance
20 includes medicare supplement coverage and the medical assistance
21 program established pursuant to the Medical Assistance Act; and

22 (3) Payer means any person who offers, issues, renews, or
23 administers a health insurance policy and includes third-party
24 administrators or pharmacy benefit managers who provide
25 administrative services only for a health benefit plan offering

1 coverage in this state.

2 Sec. 3. Each payer shall:

3 (1) Participate in a health information initiative and
4 implement the required interfaces to connect with the health
5 information initiative;

6 (2) Meet the qualification requirements to participate in
7 a health information initiative;

8 (3) Sign a participation agreement agreeing to meet the
9 standards to participate in a health information initiative; and

10 (4) Pay the fees required to participate in a health
11 information initiative.

12 Sec. 4. (1) The Health Information Initiative Support
13 Fund is created. The fund shall consist of:

14 (a) Gifts, bequests, grants, or contributions from
15 private or public sources;

16 (b) Funds deposited pursuant to subdivision (3)(a) of
17 section 77-912; and

18 (c) Other money appropriated to the fund.

19 Any money in the fund available for investment shall be
20 invested by the state investment officer pursuant to the Nebraska
21 Capital Expansion Act and the Nebraska State Funds Investment Act.

22 Any unexpended balance remaining in the fund at the close of the
23 biennium shall be reappropriated for the succeeding biennium.

24 (2) The fund shall be used to support collaborative
25 public-private, not-for-profit partnerships to facilitate the secure

1 exchange of clinical information among physicians and other health
2 care providers in real time at the point of care.

3 (3) A health information initiative seeking funds to
4 support the secure exchange of clinical information among physicians
5 and other health care providers shall submit an application for
6 funding to the Division of Public Health of the Department of Health
7 and Human Services by July 1 each year. The division shall develop an
8 application which requires the applicant to demonstrate the need for
9 funds to be used to support the health information initiative,
10 including reasonable administrative and other expenditures.

11 (4) The division, in collaboration with the Chief
12 Information Officer, shall review all applications for eligibility
13 for funds. On or before August 15, the division shall notify the
14 applicant of approval or denial of the application and certify the
15 amount of funds for which an approved applicant is eligible. The
16 decision of the division may be appealed, and the appeal shall be in
17 accordance with the Administrative Procedure Act.

18 Sec. 5. Section 77-912, Revised Statutes Cumulative
19 Supplement, 2012, is amended to read:

20 77-912 The Director of Insurance shall transmit fifty
21 percent of the taxes paid in conformity with Chapter 44, article 1,
22 and Chapter 77, article 9, to the State Treasurer, forty percent of
23 such taxes paid to the General Fund, and ten percent of such taxes
24 paid to the Mutual Finance Assistance Fund promptly upon completion
25 of his or her audit and examination and in no event later than May 1

1 of each year, except that:

2 (1) All fire insurance taxes paid pursuant to sections
3 44-150 and 81-523 shall be remitted to the State Treasurer for credit
4 to the General Fund;

5 (2) All workers' compensation insurance taxes paid
6 pursuant to section 44-150 shall be remitted to the State Treasurer
7 for credit to the Compensation Court Cash Fund; and

8 ~~(3) Commencing with the premium and related retaliatory~~
9 ~~taxes for the taxable year ending December 31, 2001, and for each~~
10 ~~taxable year thereafter, all Of the premium and related retaliatory~~
11 ~~taxes imposed by section 44-150 or 77-908 and paid by insurers~~
12 ~~writing health insurance in this state: shall be remitted to the~~
13 ~~Comprehensive Health Insurance Pool Distributive Fund.~~

14 (a) The director shall remit the first one million
15 dollars to the State Treasurer for credit to the Health Information
16 Initiative Support Fund; and

17 (b) The director shall remit any remaining amount to the
18 State Treasurer for credit to the Comprehensive Health Insurance Pool
19 Distributive Fund.

20 Sec. 6. Sections 5 and 7 of this act become operative on
21 July 1, 2014. The other sections of this act become operative on
22 their effective date.

23 Sec. 7. Original section 77-912, Revised Statutes
24 Cumulative Supplement, 2012, is repealed.

25 Sec. 8. Since an emergency exists, this act takes effect

1 when passed and approved according to law.