

Fiscal Estimate Narratives
DHS 3/1/2010

LRB Number	09-4354/1	Introduction Number	AB-0779	Estimate Type	Original
Description Designation of a corporation to receive funding for electronic health information exchange, creation of a corporation, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The federal Health Information Technology for Economic and Clinical Health Act (HITECH Act) regulates the electronic exchange of health information and provides funding to states to promote statewide use of electronic health information exchange. The HITECH Act, which was enacted as part of the American Recovery and Reinvestment Act of 2009, allows the secretary of the U.S. Department of Health and Human Services to award grants to promote statewide use of electronic health information exchange. A state may receive a HITECH grant itself or may select a nonprofit corporation that meets certain criteria to serve as a qualified "state-designated entity" (SDE), which would allow the corporation to apply for and receive a grant under the HITECH Act. A state may also receive the federal grant directly and provide a sub-grant to an SDE to carry out the HITECH provisions.

This bill allows the secretary of DHS to organize a nonprofit corporation for purposes related to the development and maintenance of electronic health information exchange. If the secretary organizes the corporation, the secretary must appoint as initial members of the board of directors the same categories of individuals as are required for a corporation to be an SDE under the HITECH Act. This entity would be a nonprofit corporation organized under Wis. Stats., Chapter 181. The corporation would function as a private-public partnership, with representatives of both the public and private health sectors serving on the board of directors.

The bill allows the secretary of the Department of Health Services (DHS) to select as the state-designated entity a non-profit corporation that meets the federal criteria to be an SDE. The bill authorizes DHS to make payments to the SDE to support health information exchange. This provision would allow DHS to pass through federal HITECH funds to the SDE as intended under the state's HITECH grant.

This bill would not increase costs to DHS. The corporation would be responsible for any startup or ongoing expenses.

Long-Range Fiscal Implications