

**§ 90-414.4. Required participation in HIE Network for some providers.**

(a) Findings. – The General Assembly makes the following findings:

- (1) That controlling escalating health care costs of the Medicaid program and other State-funded health care services is of significant importance to the State, its taxpayers, its Medicaid recipients, and other recipients of State-funded health care services.
- (2) That the State and covered entities in North Carolina need timely access to certain demographic and clinical information pertaining to services rendered to Medicaid and other State-funded health care program beneficiaries and paid for with Medicaid or other State-funded health care funds in order to assess performance, improve health care outcomes, pinpoint medical expense trends, identify beneficiary health risks, and evaluate how the State is spending money on Medicaid and other State-funded health care services. The Department of Information Technology, the Department of State Treasurer, State Health Plan Division, and the Department of Health and Human Services, Division of Health Benefits, have an affirmative duty to facilitate and support participation by covered entities in the statewide health information exchange network.
- (3) That making demographic and clinical information available to the State and covered entities in North Carolina by secure electronic means as set forth in subsection (b) of this section will improve care coordination within and across health systems, increase care quality for such beneficiaries, enable more effective population health management, reduce duplication of medical services, augment syndromic surveillance, allow more accurate measurement of care services and outcomes, increase strategic knowledge about the health of the population, and facilitate health care cost containment.

(a1) Mandatory Connection to HIE Network. – Notwithstanding the voluntary nature of the HIE Network under G.S. 90-414.2, the following providers and entities shall be connected to the HIE Network and begin submitting data through the HIE Network pertaining to services rendered to Medicaid beneficiaries and to other State-funded health care program beneficiaries and paid for with Medicaid or other State-funded health care funds in accordance with the following time line:

- (1) The following providers of Medicaid services licensed to operate in the State that have an electronic health record system shall begin submitting, at a minimum, demographic and clinical data by June 1, 2018:
  - a. Hospitals as defined in G.S. 131E-176(13).
  - b. Physicians licensed to practice under Article 1 of Chapter 90 of the General Statutes, except for licensed physicians whose primary area of practice is psychiatry.
  - c. Physician assistants as defined in 21 NCAC 32S.0201.
  - d. Nurse practitioners as defined in 21 NCAC 36.0801.
- (2) Except as provided in subdivisions (3), (4), and (5) of this subsection, all other providers of Medicaid and State-funded health care services and their affiliated entities shall begin submitting demographic and clinical data by January 1, 2023.
- (3) The following entities shall submit encounter and claims data, as appropriate, in accordance with the following time line:
  - a. Prepaid Health Plans, as defined in G.S. 108D-1, by the commencement date of a capitated contract with the Division of

Health Benefits for the delivery of Medicaid services as specified in Article 4 of Chapter 108D of the General Statutes.

- b. Local management entities/managed care organizations, as defined in G.S. 122C-3, by June 1, 2020.

If authorized by the Authority in accordance with this Article, the Department of Health and Human Services may submit the data required by this subsection on behalf of the entities specified in this subdivision.

- (4) The following entities shall begin submitting demographic and clinical data by January 1, 2023:
  - a. Physicians who perform procedures at ambulatory surgical centers as defined in G.S. 131E-146.
  - b. Dentists licensed under Article 2 of Chapter 90 of the General Statutes.
  - c. Licensed physicians whose primary area of practice is psychiatry.
  - d. The State Laboratory of Public Health operated by the Department of Health and Human Services.
- (5) The following entities shall begin submitting claims data by January 1, 2023:
  - a. Pharmacies registered with the North Carolina Board of Pharmacy under Article 4A of Chapter 90 of the General Statutes.
  - b. State health care facilities operated under the jurisdiction of the Secretary of the Department of Health and Human Services, including State psychiatric hospitals, developmental centers, alcohol and drug treatment centers, neuro-medical treatment centers, and residential programs for children such as the Wright School and the Whitaker Psychiatric Residential Treatment Facility.

(a2) Extensions of Time for Establishing Connection to the HIE Network. – The Department of Information Technology, in consultation with the Department of Health and Human Services and the State Health Plan for Teachers and State Employees, may establish a process to grant limited extensions of the time for providers and entities to connect to the HIE Network and begin submitting data as required by this section upon the request of a provider or entity that demonstrates an ongoing good-faith effort to take necessary steps to establish such connection and begin data submission as required by this section. The process for granting an extension of time must include a presentation by the provider or entity to the Department of Information Technology, the Department of Health and Human Services, and the State Health Plan for Teachers and State Employees on the expected time line for connecting to the HIE Network and commencing data submission as required by this section. Neither the Department of Information Technology, the Department of Health and Human Services, nor the State Health Plan for Teachers and State Employees shall grant an extension of time (i) to any provider or entity that fails to provide this information to both Departments, and the State Health Plan for Teachers and State Employees, (ii) that would result in the provider or entity connecting to the HIE Network and commencing data submission as required by this section later than January 1, 2023. The Department of Information Technology shall consult with the Department of Health and Human Services and the State Health Plan for Teachers and State Employees to review and decide upon a request for an extension of time under this section within 30 days after receiving a request for an extension.

(a3) Exemptions from Connecting to the HIE Network. – The Secretary of Health and Human Services, or the Secretary's designee, shall have the authority to grant exemptions to classes of providers of Medicaid and other State-funded health care services for whom acquiring and implementing an electronic health record system and connecting to the HIE Network as required by this section would constitute an undue hardship. The Secretary, or the Secretary's designee, shall promptly notify the Department of Information Technology of classes of

providers granted hardship exemptions under this subsection. Neither the Secretary nor the Secretary's designee shall grant any hardship exemption that would result in any class of provider connecting to the HIE Network and submitting data later than December 31, 2022.

(b) **Mandatory Submission of Demographic and Clinical Data.** – Notwithstanding the voluntary nature of the HIE Network under G.S. 90-414.2 and, except as otherwise provided in subsection (c) of this section, as a condition of receiving State funds, including Medicaid funds, the following entities shall submit at least twice daily, through the HIE network, demographic and clinical information pertaining to services rendered to Medicaid and other State-funded health care program beneficiaries and paid for with Medicaid or other State-funded health care funds, solely for the purposes set forth in subsection (a) of this section:

- (1) Each hospital, as defined in G.S. 131E-176(13) that has an electronic health record system.
- (2) Each Medicaid provider, unless the provider is an ambulatory surgical center as defined in G.S. 131E-146; however, a physician who performs a procedure at the ambulatory surgical center must be connected to the HIE Network.
- (3) Each provider that receives State funds for the provision of health services, unless the provider is an ambulatory surgical center as defined in G.S. 131E-146; however, a physician who performs a procedure at the ambulatory surgical center must be connected to the HIE Network.
- (4) Each local management entity/managed care organization, as defined in G.S. 122C-3.

(b1) **Balance Billing Prohibition.** – An in-network provider or entity who renders health care services, including prescription drugs and durable medical equipment, under a contract with the State Health Plan for Teachers and State Employees and who is not connected to the HIE Network in accordance with this Article, is prohibited from billing the State Health Plan or a Plan member more than either party would be billed if the entity or provider was connected to the HIE Network. Balance billing because the provider or entity did not connect to the HIE Network is prohibited.

(c) **Exemption for Certain Records.** – Providers with patient records that are subject to the disclosure restrictions of 42 C.F.R. § 2 are exempt from the requirements of subsection (b) of this section but only with respect to the patient records subject to these disclosure restrictions. Providers shall comply with the requirements of subsection (b) of this section with respect to all other patient records. A pharmacy shall only be required to submit claims data pertaining to services rendered to Medicaid and other State-funded health care program beneficiaries and paid for with Medicaid or other State-funded health care funds.

(c1) **Exemption from Twice Daily Submission.** – A pharmacy shall only be required to submit claims data once daily through the HIE Network using pharmacy industry standardized formats.

(d) **Method of Data Submissions.** – The data submissions required under this section shall be by connection to the HIE Network periodic asynchronous secure structured file transfer or any other secure electronic means commonly used in the industry and consistent with document exchange and data submission standards established by the Office of the National Coordinator for Information Technology within the U.S. Department of Health and Human Services.

(e) **Voluntary Connection for Certain Providers.** – Notwithstanding the mandatory connection and data submission requirements in subsections (a1) and (b) of this section, the following providers of Medicaid services or other State-funded health care services are not required to connect to the HIE Network or submit data but may connect to the HIE Network and submit data voluntarily:

- (1) Community-based long-term services and supports providers, including personal care services, private duty nursing, home health, and hospice care providers.
- (2) Intellectual and developmental disability services and supports providers, such as day supports and supported living providers.
- (3) Community Alternatives Program waiver services (including CAP/DA, CAP/C, and Innovations) providers.
- (4) Eye and vision services providers.
- (5) Speech, language, and hearing services providers.
- (6) Occupational and physical therapy providers.
- (7) Durable medical equipment providers.
- (8) Nonemergency medical transportation service providers.
- (9) Ambulance (emergency medical transportation service) providers.
- (10) Local education agencies and school-based health providers.

(f) Confidentiality of Data. – All data submitted to or through the HIE Network containing protected health information, personally identifying information, or a combination of these, that are in the possession of the Department of Information Technology or any other agency of the State are confidential and shall not be defined as public records under G.S. 132-1. This subsection shall not be construed to prohibit the disclosure of any such data as otherwise permitted under federal law. (2015-241, s. 12A.5(d); 2017-57, s. 11A.5(b); 2018-41, s. 9(a); 2019-23, s. 1; 2019-81, s. 2; 2020-3, s. 3E.1(a), (b); 2020-97, s. 3.7B(b); 2021-26, ss. 1-5; 2022-74, s. 9D.15(z).)