

**B-Engrossed**  
**House Bill 2294**

Ordered by the Senate May 19  
Including House Amendments dated February 17 and Senate Amendments  
dated May 19

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Health Care)

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires Oregon Health Authority to establish Oregon Health Information Technology program. Allows authority to participate in or fund health information technology partnerships or collaboratives. Revises membership and duties of Health Information Technology Oversight Council. Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to health information technology; creating new provisions; amending ORS 279A.050,  
3 413.011, 413.300, 413.301, 413.303 and 413.308 and section 1, chapter 77, Oregon Laws 2014; re-  
4 pealing ORS 413.302 and 413.306; and declaring an emergency.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1. (1) The Oregon Health Authority shall establish and maintain the Oregon**  
7 **Health Information Technology program to:**

8 (a) **Support the Oregon Integrated and Coordinated Health Care Delivery System estab-**  
9 **lished by ORS 414.620;**

10 (b) **Facilitate the exchange and sharing of electronic health-related information;**

11 (c) **Support improved health outcomes in this state;**

12 (d) **Promote accountability and transparency; and**

13 (e) **Support new payment models for coordinated care organizations and health systems.**

14 (2) **The authority may engage in activities necessary to become accredited or certified**  
15 **as a provider of health information technology and take actions associated with providing**  
16 **health information technology.**

17 (3) **Subject to ORS 279A.050 (7), the authority may enter into agreements with other en-**  
18 **tities that provide health information technology to carry out the objectives of the Oregon**  
19 **Health Information Technology program.**

20 (4) **The authority may establish and enforce standards for connecting to and using the**  
21 **Oregon Health Information Technology program, including standards for interoperability,**  
22 **privacy and security.**

23 (5) **The authority may conduct or participate in activities to enable and promote the se-**  
24 **ecure transmission of electronic health information between users of different health infor-**  
25 **mation technology systems, including activities in other states. The activities may include,**  
26 **but are not limited to, participating in organizations or associations that manage and enforce**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **agreements to abide by a common set of standards, policies and practices applicable to health**  
2 **information technology systems.**

3 **(6) The authority may, by rule, impose fees on entities or individuals that use the**  
4 **program's services in order to pay the cost of administering the Oregon Health Information**  
5 **Technology program.**

6 **(7) The authority may initiate one or more partnerships or participate in new or existing**  
7 **collaboratives to establish and carry out the Oregon Health Information Technology**  
8 **program's objectives. The authority's participation may include, but is not limited to:**

9 **(a) Participating as a voting member in the governing body of a partnership or**  
10 **collaborative that provides health information technology services;**

11 **(b) Paying dues or providing funding to partnerships or collaboratives;**

12 **(c) Entering into agreements, subject to ORS 279A.050 (7), with partnerships or**  
13 **collaboratives with respect to participation and funding in order to establish the role of the**  
14 **authority and protect the interests of this state when the partnerships or collaboratives**  
15 **provide health information technology services; or**

16 **(d) Transferring the implementation or management of one or more services offered by**  
17 **the Oregon Health Information Technology program to a partnership or collaborative.**

18 **(8) At least once each calendar year the authority shall report to the Legislative As-**  
19 **sembly, in the manner provided in ORS 192.245, on the status of the Oregon Health Infor-**  
20 **mation Technology program.**

21 **SECTION 2.** ORS 413.011 is amended to read:

22 413.011. (1) The duties of the Oregon Health Policy Board are to:

23 (a) Be the policy-making and oversight body for the Oregon Health Authority established in ORS  
24 413.032 and all of the authority's departmental divisions.

25 (b) Develop and submit a plan to the Legislative Assembly by December 31, 2010, to provide and  
26 fund access to affordable, quality health care for all Oregonians by 2015.

27 (c) Develop a program to provide health insurance premium assistance to all low and moderate  
28 income individuals who are legal residents of Oregon.

29 (d) Establish and continuously refine uniform, statewide health care quality standards for use  
30 by all purchasers of health care, third-party payers and health care providers as quality performance  
31 benchmarks.

32 (e) Establish evidence-based clinical standards and practice guidelines that may be used by  
33 providers.

34 (f) Approve and monitor community-centered health initiatives described in ORS 413.032 (1)(h)  
35 that are consistent with public health goals, strategies, programs and performance standards  
36 adopted by the Oregon Health Policy Board to improve the health of all Oregonians, and shall reg-  
37 ularly report to the Legislative Assembly on the accomplishments and needed changes to the initi-  
38 atives.

39 (g) Establish cost containment mechanisms to reduce health care costs.

40 (h) Ensure that Oregon's health care workforce is sufficient in numbers and training to meet the  
41 demand that will be created by the expansion in health coverage, health care system transforma-  
42 tions, an increasingly diverse population and an aging workforce.

43 (i) Work with the Oregon congressional delegation to advance the adoption of changes in federal  
44 law or policy to promote Oregon's comprehensive health reform plan.

45 (j) Establish a health benefit package in accordance with ORS 741.340 to be used as the baseline

1 for all health benefit plans offered through the Oregon health insurance exchange.

2 (k) Investigate and report annually to the Legislative Assembly on the feasibility and advis-  
3 ability of future changes to the health insurance market in Oregon, including but not limited to the  
4 following:

5 (A) A requirement for every resident to have health insurance coverage.

6 (B) A payroll tax as a means to encourage employers to continue providing health insurance to  
7 their employees.

8 *[(C) The implementation of a system of interoperable electronic health records utilized by all health  
9 care providers in this state.]*

10 (L) Meet cost-containment goals by structuring reimbursement rates to reward comprehensive  
11 management of diseases, quality outcomes and the efficient use of resources by promoting cost-  
12 effective procedures, services and programs including, without limitation, preventive health, dental  
13 and primary care services, web-based office visits, telephone consultations and telemedicine consul-  
14 tations.

15 (m) Oversee the expenditure of moneys from the Health Care Workforce Strategic Fund to sup-  
16 port grants to primary care providers and rural health practitioners, to increase the number of pri-  
17 mary care educators and to support efforts to create and develop career ladder opportunities.

18 (n) Work with the Public Health Benefit Purchasers Committee, administrators of the medical  
19 assistance program and the Department of Corrections to identify uniform contracting standards for  
20 health benefit plans that achieve maximum quality and cost outcomes and align the contracting  
21 standards for all state programs to the greatest extent practicable.

22 **(o) Work with the Health Information Technology Oversight Council to foster health in-  
23 formation technology systems and practices that promote the Oregon Integrated and Coor-  
24 dinated Health Care Delivery System established by ORS 414.620 and align health information  
25 technology systems and practices across this state.**

26 (2) The Oregon Health Policy Board is authorized to:

27 (a) Subject to the approval of the Governor, organize and reorganize the authority as the board  
28 considers necessary to properly conduct the work of the authority.

29 (b) Submit directly to the Legislative Counsel, no later than October 1 of each even-numbered  
30 year, requests for measures necessary to provide statutory authorization to carry out any of the  
31 board's duties or to implement any of the board's recommendations. The measures may be filed prior  
32 to the beginning of the legislative session in accordance with the rules of the House of Represen-  
33 tatives and the Senate.

34 (3) If the board or the authority is unable to perform, in whole or in part, any of the duties  
35 described in ORS 413.006 to 413.042 and 741.340 without federal approval, the authority is authorized  
36 to request, in accordance with ORS 413.072, waivers or other approval necessary to perform those  
37 duties. The authority shall implement any portions of those duties not requiring legislative authority  
38 or federal approval, to the extent practicable.

39 (4) The enumeration of duties, functions and powers in this section is not intended to be exclu-  
40 sive nor to limit the duties, functions and powers imposed on the board by ORS 413.006 to 413.042  
41 and 741.340 and by other statutes.

42 (5) The board shall consult with the Department of Consumer and Business Services in com-  
43 pleting the tasks set forth in subsection (1)(j) and (k)(A) of this section.

44 **SECTION 3.** ORS 413.300 is amended to read:

45 413.300. As used in ORS 413.300 to 413.308, **section 1 of this 2015 Act and ORS chapter 414:**

1 [(1) “Electronic health exchange” means the electronic movement of health-related information  
2 among health care providers according to nationally recognized interoperability standards.]

3 [(2)] (1) “Electronic health record” means an electronic record of an individual’s health-related  
4 information that conforms to nationally recognized interoperability standards and that can be cre-  
5 ated, managed and consulted by authorized [*clinicians*] **health care providers** and staff [*across more*  
6 *than one health care provider*].

7 [(3)] (2) “Health care provider” or “provider” means a person who is licensed, certified or oth-  
8 erwise authorized by law in this state to administer health care in the ordinary course of business  
9 or in the practice of a health care profession.

10 (3) **“Health informatics” means the interdisciplinary study of the design, development,**  
11 **adoption and application of information technology based innovations in health care services**  
12 **delivery, management and planning.**

13 (4) “Health information technology” means an information processing application using com-  
14 puter hardware and software for the storage, retrieval, sharing and use of health care information,  
15 data and knowledge for communication, decision-making, quality, safety and efficiency of a clinical  
16 practice. “Health information technology” includes, but is not limited to:

17 [(a) *An electronic health exchange.*]

18 [(b)] (a) An electronic health record.

19 [(c) *A personal health record.*]

20 [(d)] (b) An electronic order from a **health care** provider for diagnosis, treatment or pre-  
21 scription drugs.

22 [(e)] (c) An electronic **clinical** decision support system **that links health observations with**  
23 **health knowledge to assist health care providers in making choices for improved health care,**  
24 **for example by providing electronic alerts or reminders.** [*used to:*]

25 [(A) *Assist providers in making clinical decisions by providing electronic alerts or reminders;*]

26 [(B) *Improve compliance with best health care practices;*]

27 [(C) *Promote regular screenings and other preventive health practices; or*]

28 [(D) *Facilitate diagnoses and treatments.*]

29 [(f)] (d) Tools for the collection, analysis and reporting of information or data on adverse events,  
30 the quality and efficiency of care, patient satisfaction and other health care related performance  
31 measures.

32 (5) “Interoperability” means the capacity of **different health information technology systems**  
33 **and software applications to communicate and exchange data and to make use of the data**  
34 **that has been exchanged.** [*two or more information systems to exchange information or data in an*  
35 *accurate, effective, secure and consistent manner.*]

36 [(6) “Personal health record” means an individual’s electronic health record that conforms to na-  
37 tionally recognized interoperability standards and that can be drawn from multiple sources while being  
38 managed, shared and controlled by the individual.]

39 **SECTION 4.** ORS 413.301 is amended to read:

40 413.301. (1) There is established a Health Information Technology Oversight Council within the  
41 Oregon Health Authority[, *consisting of 11 members appointed by the Governor*]. **The Oregon Health**  
42 **Policy Board shall:**

43 (a) **Determine the terms of members on the council and the organization of the council.**

44 (b) **Appoint members to the council who, collectively, have expertise, knowledge or direct**  
45 **experience in health care delivery, health information technology, health informatics and**

1 **health care quality improvement.**

2 (c) **Ensure that there is broad representation on the council of individuals and organiza-**  
3 **tions that will be impacted by the Oregon Health Information Technology program.**

4 (2) **To aid and advise the council in the performance of its functions, the council may**  
5 **establish such advisory and technical committees as the council considers necessary. The**  
6 **committees may be continuing or temporary. The council shall determine the representation,**  
7 **membership, terms and organization of the committees and shall appoint persons to serve**  
8 **on the committees.**

9 (3) **Members of the council are not entitled to compensation, but in the discretion of the**  
10 **board may be reimbursed from funds available to the board for actual and necessary travel**  
11 **and other expenses incurred by the members of the council in the performance of their of-**  
12 **ficial duties in the manner and amount provided in ORS 292.495.**

13 *[(2) The term of office of each member is four years, but a member serves at the pleasure of the*  
14 *Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose*  
15 *term begins on January 1 next following. A member is eligible for reappointment. If there is a vacancy*  
16 *for any cause, the Governor shall make an appointment to become immediately effective for the unex-*  
17 *pired term.]*

18 *[(3) The appointment of the Health Information Technology Oversight Council is subject to confir-*  
19 *mation by the Senate in the manner prescribed in ORS 171.562 and 171.565.]*

20 *[(4) A member of the Health Information Technology Oversight Council is not entitled to compen-*  
21 *sation for services as a member, but is entitled to expenses as provided in ORS 292.495 (2). Claims for*  
22 *expenses incurred in performing the functions of the council shall be paid out of funds appropriated to*  
23 *the Oregon Health Authority for that purpose.]*

24 **SECTION 5.** ORS 413.303 is amended to read:

25 413.303. (1) The *[Governor shall appoint]* **Health Information Technology Oversight Council**  
26 **shall select** one of the **council's** members *[of the Health Information Technology Oversight Council*  
27 *as chairperson and another as vice chairperson, for such terms]* **as chairperson, for such term** and  
28 with such duties and powers necessary for the performance of the functions of *[those offices]* **the**  
29 **chairperson** as the *[Governor]* **Oregon Health Policy Board** determines.

30 (2) A majority of the members of the council constitutes a quorum for the transaction of busi-  
31 ness.

32 (3) The council shall meet at least quarterly at a place, day and hour determined by the council.  
33 The council may also meet at other times and places specified by the call of the chairperson or of  
34 a majority of the members of the council.

35 **SECTION 6.** ORS 413.308 is amended to read:

36 413.308. The duties of the Health Information Technology Oversight Council are to:

37 *[(1) Set specific health information technology goals and develop a strategic health information*  
38 *technology plan for this state.]*

39 *[(2) Monitor progress in achieving the goals established in subsection (1) of this section and provide*  
40 *oversight for the implementation of the strategic health information technology plan.]*

41 *[(3) Maximize the distribution of resources expended on health information technology across this*  
42 *state.]*

43 *[(4) Create and provide oversight for a public-private purchasing collaborative or alternative*  
44 *mechanism to help small health care practices, primary care providers, rural providers and providers*  
45 *whose practices include a large percentage of medical assistance recipients to obtain affordable rates*

1 for high-quality electronic health records hardware, software and technical support for planning, in-  
2 stallation, use and maintenance of health information technology.]

3 [(5) Identify and select the industry standards for all health information technology promoted by  
4 the purchasing collaborative described in subsection (4) of this section, including standards for:]

5 [(a) Selecting, supporting and monitoring health information technology vendors, hardware, soft-  
6 ware and technical support services; and]

7 [(b) Ensuring that health information technology applications have appropriate privacy and security  
8 controls and that data cannot be used for purposes other than patient care or as otherwise allowed by  
9 law.]

10 [(6) Enlist and leverage community resources to advance the adoption of health information tech-  
11 nology.]

12 [(7) Educate the public and health care providers on the benefits and risks of information technol-  
13 ogy infrastructure investment.]

14 [(8) Coordinate health care sector activities that move the adoption of health information technology  
15 forward and achieve health information technology interoperability.]

16 [(9) Support and provide oversight for efforts by the Oregon Health Authority to implement a per-  
17 sonal health records bank for medical assistance recipients and assess its potential to serve as a fun-  
18 damental building block for a statewide health information exchange that:]

19 [(a) Ensures that patients' health information is available and accessible when and where they need  
20 it;]

21 [(b) Applies only to patients who choose to participate in the exchange; and]

22 [(c) Provides meaningful remedies if security or privacy policies are violated.]

23 [(10) Determine a fair, appropriate method to reimburse providers for their use of electronic health  
24 records to improve patient care, starting with providers whose practices consist of a large percentage  
25 of medical assistance recipients.]

26 [(11) Determine whether to establish a health information technology loan program and if so, to  
27 implement the program.]

28 **(1) Identify and make specific recommendations related to health information technology**  
29 **to the Oregon Health Policy Board to achieve the goals of the Oregon Integrated and Coor-**  
30 **ordinated Health Care Delivery System established by ORS 414.620.**

31 **(2) Regularly review and report to the board on the Oregon Health Authority's health**  
32 **information technology efforts, including the Oregon Health Information Technology pro-**  
33 **gram, toward achieving the goals of the Oregon Integrated and Coordinated Health Care**  
34 **Delivery System.**

35 **(3) Regularly review and report to the board on the efforts of local, regional and state-**  
36 **wide organizations to participate in health information technology systems.**

37 **(4) Regularly review and report to the board on this state's progress in the adoption and**  
38 **use of health information technology by health care providers, health systems, patients and**  
39 **other users.**

40 **(5) Advise the board or the Oregon Congressional Delegation on changes to federal laws**  
41 **affecting health information technology that will promote this state's efforts in utilizing**  
42 **health information technology.**

43 **SECTION 7.** ORS 279A.050 is amended to read:

44 279A.050. (1)(a) Except as otherwise provided in the Public Contracting Code, a contracting  
45 agency shall exercise all procurement authority in accordance with the provisions of the Public

1 Contracting Code.

2 (b) When a contracting agency has authority under this section to carry out functions described  
3 in this section, or has authority to make procurements under a provision of law other than the  
4 Public Contracting Code, the contracting agency is not required to exercise that authority in ac-  
5 cordance with the provisions of the code if, under ORS 279A.025, the code does not apply to the  
6 contract or contracting authority.

7 (2) Except as otherwise provided in the Public Contracting Code, for state agencies the Director  
8 of the Oregon Department of Administrative Services has all the authority to carry out the pro-  
9 visions of the Public Contracting Code.

10 (3) Except as otherwise provided in the Public Contracting Code, the Director of Transportation  
11 has all the authority to:

12 (a) Procure or supervise the procurement of all services and personal services to construct, ac-  
13 quire, plan, design, maintain and operate passenger terminal facilities and motor vehicle parking  
14 facilities in connection with any public transportation system in accordance with ORS 184.689 (5);

15 (b) Procure or supervise the procurement of all goods, services, public improvements and per-  
16 sonal services relating to the operation, maintenance or construction of highways, bridges and other  
17 transportation facilities that are subject to the authority of the Department of Transportation; and

18 (c) Establish standards for, prescribe forms for and conduct the prequalification of prospective  
19 bidders on public improvement contracts related to the operation, maintenance or construction of  
20 highways, bridges and other transportation facilities that are subject to the authority of the De-  
21 partment of Transportation.

22 (4) Except as otherwise provided in the Public Contracting Code, the Secretary of State has all  
23 the authority to procure or supervise the procurement of goods, services and personal services re-  
24 lated to programs under the authority of the Secretary of State.

25 (5) Except as otherwise provided in the Public Contracting Code, the State Treasurer has all the  
26 authority to procure or supervise the procurement of goods, services and personal services related  
27 to programs under the authority of the State Treasurer.

28 (6) The state agencies listed in this subsection have all the authority to do the following in ac-  
29 cordance with the Public Contracting Code:

30 (a) The Department of Human Services to procure or supervise the procurement of goods, ser-  
31 vices and personal services under ORS 179.040 for the department's institutions and the procurement  
32 of goods, services and personal services for the construction, demolition, exchange, maintenance,  
33 operation and equipping of housing for the purpose of providing care to individuals with intellectual  
34 disabilities or other developmental disabilities, subject to applicable provisions of ORS 427.335;

35 (b) The Oregon Health Authority to procure or supervise the procurement of goods, services and  
36 personal services under ORS 179.040 and construction materials, equipment and supplies for the  
37 authority's institutions and the procurement of goods, services, personal services, construction ma-  
38 terials, equipment and supplies for the construction, demolition, exchange, maintenance, operation  
39 and equipping of housing for persons with chronic mental illness, subject to applicable provisions  
40 of ORS 426.504;

41 (c) The State Department of Fish and Wildlife to procure or supervise the procurement of con-  
42 struction materials, equipment, supplies, services and personal services for public improvements,  
43 public works or ordinary construction described in ORS 279C.320 that is subject to the authority  
44 of the State Department of Fish and Wildlife;

45 (d) The State Parks and Recreation Department to procure or supervise the procurement of all

1 goods, services, public improvements and personal services relating to state parks;

2 (e) The Oregon Department of Aviation to procure or supervise the procurement of construction  
3 materials, equipment, supplies, services and personal services for public improvements, public works  
4 or ordinary construction described in ORS 279C.320 that is subject to the authority of the Oregon  
5 Department of Aviation;

6 (f) The Oregon Business Development Department to procure or supervise the procurement of  
7 all goods, services, personal services and public improvements related to its foreign trade offices  
8 operating outside the state;

9 (g) The Housing and Community Services Department to procure or supervise the procurement  
10 of goods, services and personal services as provided in ORS 279A.025 (2)(n);

11 (h) The Department of Corrections to procure or supervise the procurement of construction  
12 materials, equipment, supplies, services and personal services for public improvements, public works  
13 or ordinary construction described in ORS 279C.320 that is subject to the authority of the Depart-  
14 ment of Corrections;

15 (i) The Department of Corrections, subject to any applicable provisions of ORS 279A.120,  
16 279A.125, 279A.145 and 283.110 to 283.395, to procure or supervise the procurement of goods, ser-  
17 vices and personal services under ORS 179.040 for its institutions;

18 (j) The Department of Veterans' Affairs to procure or supervise the procurement of real estate  
19 broker and principal real estate broker services related to programs under the department's au-  
20 thority;

21 (k) The Oregon Military Department to procure or supervise the procurement of construction  
22 materials, equipment, supplies, services and personal services for public improvements, public works  
23 or ordinary construction described in ORS 279C.320 that is subject to the authority of the Oregon  
24 Military Department;

25 (L) The Department of Education, subject to any applicable provisions of ORS 329.075, 329.085  
26 and 329.485 and the federal No Child Left Behind Act of 2001 (P.L. 107-110, 115 Stat. 1425), to pro-  
27 cure or supervise the procurement of goods, services, personal services and information technology  
28 relating to student assessment; and

29 (m) Any state agency to conduct a procurement when the agency is specifically authorized by  
30 any provision of law other than the Public Contracting Code to enter into a contract.

31 (7) Notwithstanding this section and ORS 279A.140 (1), the Director of the Oregon Department  
32 of Administrative Services has exclusive authority, unless the director delegates this authority, to  
33 procure or supervise the procurement of all price agreements on behalf of the state agencies iden-  
34 tified in subsection (6)(a) to (k) of this section under which more than one state agency may order  
35 goods, services or personal services and[, *except for contracts procured by the Oregon Health Au-*  
36 *thority,*] all state agency information technology contracts. This subsection does not apply to con-  
37 tracts under which the contractor delivers to the state agency information technology products or  
38 services incidental to the performance of personal services contracts described in ORS chapter 279C  
39 or construction contracts described in ORS chapter 279C. A state agency identified in subsection (3)  
40 or (6)(a) to (k) of this section may not establish a price agreement or enter into a contract for goods,  
41 services, personal services, construction materials, equipment or supplies without the approval of  
42 the director if the director has established a price agreement for the goods, services or personal  
43 services.

44 **SECTION 8.** Section 1, chapter 77, Oregon Laws 2014, is amended to read:

45 **Sec. 1.** (1) As used in this section:



1 (a)(A) "Information technology initiative" means a project to develop or provide, with the state  
2 contracting agency's or public corporation's own personnel and resources, or to obtain by means of  
3 a procurement or set of related procurements:

4 (i) New hardware, software or services for data processing, office automation or telecommuni-  
5 cations;

6 (ii) An overhaul, upgrade or replacement of a substantial portion of the hardware or software  
7 in an existing data processing, office automation or telecommunications system; or

8 (iii) A substantial expansion of existing data processing, office automation or telecommuni-  
9 cations services.

10 (B) "Information technology initiative" does not include:

11 (i) A procurement for preliminary quality assurance services or quality management services;

12 (ii) A routine update to or purchase of hardware or software within an existing data processing,  
13 office automation or telecommunications system;

14 (iii) A renewal of an existing contract for data processing, office automation or telecommuni-  
15 cations services under terms and conditions that are substantially the same as in the existing con-  
16 tract; or

17 (iv) A replacement of a component of an existing data processing, office automation or tele-  
18 communications system that is not essential for the system to function as designed or that occurs  
19 at the end of the component's anticipated life cycle.

20 (b) "Preliminary quality assurance services" means a set of services in which a contractor pro-  
21 vides an independent and objective review of a state contracting agency's or a public corporation's  
22 plans, specifications, estimates, documentation, available resources and overall purpose for an in-  
23 formation technology initiative, including services in which the contractor evaluates a proposed in-  
24 formation technology initiative against applicable quality standards and best practices from private  
25 industry and other sources.

26 (c) "Procurement" has the meaning given that term in ORS 279A.010.

27 (d)(A) "Public corporation" means a corporation:

28 (i) The operations of which are subject to control by this state or by an agency or  
29 instrumentality of this state, or by officers of this state or of an agency or instrumentality of this  
30 state;

31 (ii) That is organized, at least in part, to serve a public purpose; and

32 (iii) That receives public funds or other support from an entity described in sub-subparagraph  
33 (i) of this subparagraph.

34 (B) "Public corporation" does not include:

35 (i) A person or entity described in ORS 174.108 (3);

36 (ii) A city, county, local service district, school district, education service district, community  
37 college district or community college service district or a university with a governing board listed  
38 in ORS 352.054; or

39 (iii) An administrative subdivision of an entity described in sub-subparagraph (ii) of this sub-  
40 paragraph.

41 (e) "Quality management services" means a set of services in which a contractor provides an  
42 independent and objective review and evaluation of a state contracting agency's, a public  
43 corporation's or another contractor's performance with respect to an information technology initi-  
44 ative, such as services in which the contractor:

45 (A) Identifies quality standards that apply or should apply to the information technology initi-

1    ative;

2       (B) Suggests methods and means by which the state contracting agency, the public corporation  
3    or the other contractor may meet quality standards identified in subparagraph (A) of this paragraph;

4       (C) Reviews and evaluates the state contracting agency's, the public corporation's or the other  
5    contractor's performance regularly as the information technology initiative progresses from start to  
6    finish;

7       (D) Identifies omissions or gaps in the state contracting agency's, the public corporation's or the  
8    other contractor's planning, execution, control, methodology, communication or reporting as the in-  
9    formation technology initiative progresses from start to finish;

10      (E) Identifies risks in the state contracting agency's, the public corporation's or the other  
11    contractor's plans or approach to designing, developing or implementing the information technology  
12    initiative and suggests methods to reduce, mitigate or eliminate the risks;

13      (F) Assists the state contracting agency or the public corporation in testing or otherwise eval-  
14    uating the hardware, software or services that are developed, provided or obtained as part of an  
15    information technology initiative to determine whether the hardware, software or services conform  
16    with the quality standards identified in subparagraph (A) of this paragraph;

17      (G) Advises the state contracting agency or the public corporation as to whether the hardware,  
18    software or services that are developed, provided or obtained as part of an information technology  
19    initiative meet the contracting agency's or the public corporation's needs, specifications or expec-  
20    tations and otherwise enable the state contracting agency or the public corporation to achieve the  
21    objectives for the information technology initiative; or

22      (H) Identifies unsatisfactory performance and suggests methods the state contracting agency, the  
23    public corporation or the other contractor might use to eliminate the causes of unsatisfactory per-  
24    formance.

25      (f) "State contracting agency" has the meaning given that term in ORS 279A.010.

26      (2)(a) A state contracting agency or a public corporation that implements an information tech-  
27    nology initiative shall obtain quality management services from a qualified contractor if the value  
28    of the information technology initiative exceeds \$5 million or if the information technology initiative  
29    meets criteria or standards that the State Chief Information Officer or the Director of the Oregon  
30    Department of Administrative Services specifies by rule or policy.

31      (b) A state contracting agency or public corporation may, subject to ORS 279B.040, procure  
32    preliminary quality assurance services from a contractor if the information technology initiative  
33    meets the standards set forth in paragraph (a) of this subsection or if the state contracting agency  
34    or public corporation otherwise believes that the preliminary quality assurance services will enable  
35    the contracting agency or public corporation to implement an information technology initiative  
36    successfully.

37      (3) A state contracting agency or public corporation may not artificially divide or fragment an  
38    information technology initiative so as to avoid the application of this section.

39      (4)(a) Notwithstanding any procurement authority that a state contracting agency or a public  
40    corporation has that is not subject to the authority of the Director of the Oregon Department of  
41    Administrative Services under ORS 279A.050 (2) or (7), the state contracting agency or public cor-  
42    poration is subject to the provisions of subsection (2) of this section and shall consult with and fol-  
43    low the rules, policies and procedures of the State Chief Information Officer and the Oregon  
44    Department of Administrative Services in determining the extent of preliminary quality assurance  
45    services or quality management services that the state contracting agency or public corporation will

1 require for an information technology initiative.

2 (b) *[Notwithstanding the Oregon Health Authority's exemption in ORS 279A.050 (7) from the au-*  
3 *thority that the Oregon Department of Administrative Services has over all state agency information*  
4 *technology procurements,]* The Oregon Health Authority shall consult with and follow the rules,  
5 policies and procedures of the State Chief Information Officer and the Oregon Department of Ad-  
6 ministrative Services in determining the extent of preliminary quality assurance services or quality  
7 management services that the state contracting agency or public corporation will require for an  
8 information technology initiative.

9 (5)(a) If a state contracting agency or a public corporation awards a contract for preliminary  
10 quality assurance services or quality management services, the contract must provide that at the  
11 same time a contractor provides a preliminary or final report to the contract administrator, the  
12 contractor shall also provide a copy of the report to:

13 (A) The State Chief Information Officer;

14 (B) The Director of the Oregon Department of Administrative Services; and

15 (C) As appropriate for the specific information technology initiative, to:

16 (i) The director of the state contracting agency or, if a board or commission sets policy for the  
17 state contracting agency, to the board or commission; or

18 (ii) The governing body of the public corporation.

19 (b) The state contracting agency or public corporation shall provide the contractor with names,  
20 addresses and other contact information the contractor needs to comply with paragraph (a) of this  
21 subsection.

22 (6) This section does not apply to the Secretary of State or the State Treasurer.

23 **SECTION 9. ORS 413.302 and 413.306 are repealed.**

24 **SECTION 10. (1) Section 1 of this 2015 Act, the amendments to ORS 279A.050, 413.011,**  
25 **413.300, 413.301, 413.303 and 413.308 and section 1, chapter 77, Oregon Laws 2014, by sections**  
26 **2 to 8 of this 2015 Act and the repeal of ORS 413.302 and 413.306 by section 9 of this 2015 Act**  
27 **become operative on July 1, 2015.**

28 **(2) The Oregon Health Authority may take any action before the operative date specified**  
29 **in subsection (1) of this section that is necessary to enable the authority to carry out the**  
30 **provisions of section 1 of this 2015 Act, the amendments to ORS 279A.050, 413.011, 413.300,**  
31 **413.301, 413.303 and 413.308 and section 1, chapter 77, Oregon Laws 2014, by sections 2 to 8**  
32 **of this 2015 Act and the repeal of ORS 413.302 and 413.306 by section 9 of this 2015 Act.**

33 **SECTION 11. This 2015 Act being necessary for the immediate preservation of the public**  
34 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**  
35 **on its passage.**

36