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HOUSE BILL NO. 1035

Offered January 11, 2006

Prefiled January 11, 2006

A BILL to amend and reenact § 32.1-127.1:03 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 9 of Title 32.1 an article numbered 3, consisting of sections numbered 32.1-321.5 through 32.1-321.7, relating to medical assistance services; Inspector General for Medical Assistance Services established.

Patrons—Hamilton, Albo, Athey, Byron, Callahan, Cosgrove, Gear, Gilbert, Hurt, Kilgore, Landes, Lingamfelter, McQuigg, Morgan, O'Bannon, Rapp, Rust, Saxman, Scott, E.T. and Welch

Referred to Committee on Health, Welfare and Institutions

Be it enacted by the General Assembly of Virginia:

1. That § 32.1-127.1:03 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Chapter 9 of Title 32.1 an article numbered 3, consisting of sections numbered 32.1-321.5 through 32.1-321.7, as follows:

§ 32.1-127.1:03. Health records privacy.

A. There is hereby recognized an individual's right of privacy in the content of his health records. Health records are the property of the health care entity maintaining them, and, except when permitted or required by this section or by other provisions of state law, no health care entity, or other person working in a health care setting, may disclose an individual's health records.

Pursuant to this subsection:

1. Health care entities shall disclose health records to the individual who is the subject of the health record, except as provided in subsections E and F of this section and subsection B of § 8.01-413.

2. Health records shall not be removed from the premises where they are maintained without the approval of the health care entity that maintains such health records, except in accordance with a court order or subpoena consistent with subsection C of § 8.01-413 or with this section or in accordance with the regulations relating to change of ownership of health records promulgated by a health regulatory board established in Title 54.1.

3. No person to whom health records are disclosed shall redisclose or otherwise reveal the health records of an individual, beyond the purpose for which such disclosure was made, without first obtaining the individual's specific authorization to such redisclosure. This redisclosure prohibition shall not, however, prevent (i) any health care entity that receives health records from another health care entity from making subsequent disclosures as permitted under this section and the federal Department of Health and Human Services regulations relating to privacy of the electronic transmission of data and protected health information promulgated by the United States Department of Health and Human Services as required by the Health Insurance Portability and Accountability Act (HIPAA) (42 U.S.C. § 1320d et seq.) or (ii) any health care entity from furnishing health records and aggregate or other data, from which individually identifying prescription information has been removed, encoded or encrypted, to qualified researchers, including, but not limited to, pharmaceutical manufacturers and their agents or contractors, for purposes of clinical, pharmaco-epidemiological, pharmaco-economic, or other health services research.

B. As used in this section:

"Agent" means a person who has been appointed as an individual's agent under a power of attorney for health care or an advance directive under the Health Care Decisions Act (§ 54.1-2981 et seq.).

"Certification" means a written representation that is delivered by hand, by first-class mail, by overnight delivery service, or by facsimile if the sender obtains a facsimile-machine-generated confirmation reflecting that all facsimile pages were successfully transmitted.

"Guardian" means a court-appointed guardian of the person.

"Health care clearinghouse" means, consistent with the definition set out in 45 C.F.R. § 160.103, a public or private entity, such as a billing service, repricing company, community health management information system or community health information system, and "value-added" networks and switches, that performs either of the following functions: (i) processes or facilitates the processing of health information received from another entity in a nonstandard format or containing nonstandard data content into standard data elements or a standard transaction; or (ii) receives a standard transaction from another entity and processes or facilitates the processing of health information into nonstandard format or nonstandard data content for the receiving entity.

"Health care entity" means any health care provider, health plan or health care clearinghouse.

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58 "Health care provider" means those entities listed in the definition of "health care provider" in
59 § 8.01-581.1, except that state-operated facilities shall also be considered health care providers for the
60 purposes of this section. Health care provider shall also include all persons who are licensed, certified,
61 registered or permitted or who hold a multistate licensure privilege issued by any of the health
62 regulatory boards within the Department of Health Professions, except persons regulated by the Board of
63 Funeral Directors and Embalmers or the Board of Veterinary Medicine.

64 "Health plan" means an individual or group plan that provides, or pays the cost of, medical care.
65 "Health plan" shall include any entity included in such definition as set out in 45 C.F.R. § 160.103.

66 "Health record" means any written, printed or electronically recorded material maintained by a health
67 care entity in the course of providing health services to an individual concerning the individual and the
68 services provided. "Health record" also includes the substance of any communication made by an
69 individual to a health care entity in confidence during or in connection with the provision of health
70 services or information otherwise acquired by the health care entity about an individual in confidence
71 and in connection with the provision of health services to the individual.

72 "Health services" means, but shall not be limited to, examination, diagnosis, evaluation, treatment,
73 pharmaceuticals, aftercare, habilitation or rehabilitation and mental health therapy of any kind, as well as
74 payment or reimbursement for any such services.

75 "Individual" means a patient who is receiving or has received health services from a health care
76 entity.

77 "Individually identifying prescription information" means all prescriptions, drug orders or any other
78 prescription information that specifically identifies an individual.

79 "Parent" means a biological, adoptive or foster parent.

80 "Psychotherapy notes" means comments, recorded in any medium by a health care provider who is a
81 mental health professional, documenting or analyzing the contents of conversation during a private
82 counseling session with an individual or a group, joint, or family counseling session that are separated
83 from the rest of the individual's health record. "Psychotherapy notes" shall not include annotations
84 relating to medication and prescription monitoring, counseling session start and stop times, treatment
85 modalities and frequencies, clinical test results, or any summary of any symptoms, diagnosis, prognosis,
86 functional status, treatment plan, or the individual's progress to date.

87 C. The provisions of this section shall not apply to any of the following:

88 1. The status of and release of information governed by §§ 65.2-604 and 65.2-607 of the Virginia
89 Workers' Compensation Act;

90 2. Except where specifically provided herein, the health records of minors; or

91 3. The release of juvenile health records to a secure facility or a shelter care facility pursuant to
92 § 16.1-248.3.

93 D. Health care entities may, and, when required by other provisions of state law, shall, disclose
94 health records:

95 1. As set forth in subsection E, pursuant to the written authorization of (i) the individual or (ii) in the
96 case of a minor, (a) his custodial parent, guardian or other person authorized to consent to treatment of
97 minors pursuant to § 54.1-2969 or (b) the minor himself, if he has consented to his own treatment
98 pursuant to subsection E of § 54.1-2969, or (iii) in emergency cases or situations where it is impractical
99 to obtain an individual's written authorization, pursuant to the individual's oral authorization for a health
100 care provider or health plan to discuss the individual's health records with a third party specified by the
101 individual;

102 2. In compliance with a subpoena issued in accord with subsection H, pursuant to court order upon
103 good cause shown or in compliance with a subpoena issued pursuant to subsection C of § 8.01-413;

104 3. In accord with subsection F of § 8.01-399 including, but not limited to, situations where disclosure
105 is reasonably necessary to establish or collect a fee or to defend a health care entity or the health care
106 entity's employees or staff against any accusation of wrongful conduct; also as required in the course of
107 an investigation, audit, review or proceedings regarding a health care entity's conduct by a duly
108 authorized law-enforcement, licensure, accreditation, or professional review entity;

109 4. In testimony in accordance with §§ 8.01-399 and 8.01-400.2;

110 5. In compliance with the provisions of § 8.01-413;

111 6. As required or authorized by law relating to public health activities, health oversight activities,
112 serious threats to health or safety, or abuse, neglect or domestic violence, relating to contagious disease,
113 public safety, and suspected child or adult abuse reporting requirements, including, but not limited to,
114 those contained in §§ 32.1-36, 32.1-36.1, 32.1-40, 32.1-41, 32.1-127.1:04, 32.1-276.5, 32.1-283,
115 32.1-283.1, 37.2-710, 37.2-839, 53.1-40.10, 54.1-2400.6, 54.1-2400.7, 54.1-2403.3, 54.1-2506,
116 54.1-2966, 54.1-2966.1, 54.1-2967, 54.1-2968, 63.2-1509 and 63.2-1606;

117 7. Where necessary in connection with the care of the individual;

118 8. In the normal course of business in accordance with accepted standards of practice within the
119 health services setting; however, the maintenance, storage, and disclosure of the mass of prescription

dispensing records maintained in a pharmacy registered or permitted in Virginia shall only be accomplished in compliance with §§ 54.1-3410, 54.1-3411 and 54.1-3412;

9. When the individual has waived his right to the privacy of the health records;

10. When examination and evaluation of an individual are undertaken pursuant to judicial or administrative law order, but only to the extent as required by such order;

11. To the guardian ad litem and any attorney representing the respondent in the course of a guardianship proceeding of an adult patient who is the respondent in a proceeding under Chapter 10 (§ 37.2-1000 et seq.) of Title 37.2;

12. To the attorney appointed by the court to represent an individual who is or has been a patient who is the subject of a civil commitment proceeding under Article 5 (§ 37.2-814 et seq.) of Chapter 8 of Title 37.2 or a judicial authorization for treatment proceeding pursuant to Chapter 11 (§ 37.2-1100 et seq.) of Title 37.2;

13. To the attorney and/or guardian ad litem of a minor who represents such minor in any judicial or administrative proceeding, if the court or administrative hearing officer has entered an order granting the attorney or guardian ad litem this right and such attorney or guardian ad litem presents evidence to the health care entity of such order;

14. With regard to the Court-Appointed Special Advocate (CASA) program, a minor's health records in accord with § 9.1-156;

15. To an agent appointed under an individual's power of attorney or to an agent or decision maker designated in an individual's advance directive for health care or for decisions on anatomical gifts and organ, tissue or eye donation or to any other person consistent with the provisions of the Health Care Decisions Act (§ 54.1-2981 et seq.);

16. To third-party payors and their agents for purposes of reimbursement;

17. As is necessary to support an application for receipt of health care benefits from a governmental agency or as required by an authorized governmental agency reviewing such application or reviewing benefits already provided or as necessary to the coordination of prevention and control of disease, injury, or disability and delivery of such health care benefits pursuant to § 32.1-127.1:04;

18. Upon the sale of a medical practice as provided in § 54.1-2405; or upon a change of ownership or closing of a pharmacy pursuant to regulations of the Board of Pharmacy;

19. In accord with subsection B of § 54.1-2400.1, to communicate an individual's specific and immediate threat to cause serious bodily injury or death of an identified or readily identifiable person;

20. Where necessary in connection with the implementation of a hospital's routine contact process for organ donation pursuant to subdivision B 4 of § 32.1-127;

21. In the case of substance abuse records, when permitted by and in conformity with requirements of federal law found in 42 U.S.C. § 290dd-2 and 42 C.F.R. Part 2;

22. In connection with the work of any entity established as set forth in § 8.01-581.16 to evaluate the adequacy or quality of professional services or the competency and qualifications for professional staff privileges;

23. If the health records are those of a deceased or mentally incapacitated individual to the personal representative or executor of the deceased individual or the legal guardian or committee of the incompetent or incapacitated individual or if there is no personal representative, executor, legal guardian or committee appointed, to the following persons in the following order of priority: a spouse, an adult son or daughter, either parent, an adult brother or sister, or any other relative of the deceased individual in order of blood relationship;

24. For the purpose of conducting record reviews of inpatient hospital deaths to promote identification of all potential organ, eye, and tissue donors in conformance with the requirements of applicable federal law and regulations, including 42 C.F.R. § 482.45, (i) to the health care provider's designated organ procurement organization certified by the United States Health Care Financing Administration and (ii) to any eye bank or tissue bank in Virginia certified by the Eye Bank Association of America or the American Association of Tissue Banks;

25. To the Office of the Inspector General for Mental Health, Mental Retardation and Substance Abuse Services pursuant to Article 3 (§ 37.2-423 et seq.) of Chapter 4 of Title 37.2 *and to the Office of the Inspector General for Medical Assistance Services pursuant to Article 3 (§ 32.1-321.5 [SC1] et. seq.) of Chapter 9 of Title 32.1;*

26. (Expires July 1, 2006) To an entity participating in the activities of a local health partnership authority established pursuant to Article 6.1 (§ 32.1-122.10:001 et seq.) of Chapter 4 of this title, pursuant to subdivision 1 of this subsection;

27. To law-enforcement officials by each licensed emergency medical services agency, (i) when the individual is the victim of a crime or (ii) when the individual has been arrested and has received emergency medical services or has refused emergency medical services and the health records consist of the prehospital patient care report required by § 32.1-116.1;

181 28. To the State Health Commissioner pursuant to § 32.1-48.015 when such records are those of a
182 person or persons who are subject to an order of quarantine or an order of isolation pursuant to Article
183 3.02 (§ 32.1-48.05 et seq.) of Chapter 2 of this title; and

184 29. To the Commissioner of the Department of Labor and Industry or his designee by each licensed
185 emergency medical services agency when the records consist of the prehospital patient care report
186 required by § 32.1-116.1 and the patient has suffered an injury or death on a work site while performing
187 duties or tasks that are within the scope of his employment.

188 Notwithstanding the provisions of subdivisions 1 through 29 of this subsection, a health care entity
189 shall obtain an individual's written authorization for any disclosure of psychotherapy notes, except when
190 disclosure by the health care entity is (i) for its own training programs in which students, trainees, or
191 practitioners in mental health are being taught under supervision to practice or to improve their skills in
192 group, joint, family, or individual counseling; (ii) to defend itself or its employees or staff against any
193 accusation of wrongful conduct; (iii) in the discharge of the duty, in accordance with subsection B of
194 § 54.1-2400.1, to take precautions to protect third parties from violent behavior or other serious harm;
195 (iv) required in the course of an investigation, audit, review, or proceeding regarding a health care
196 entity's conduct by a duly authorized law-enforcement, licensure, accreditation, or professional review
197 entity; or (v) otherwise required by law.

198 E. Requests for copies of health records shall (i) be in writing, dated and signed by the requester; (ii)
199 identify the nature of the information requested; and (iii) include evidence of the authority of the
200 requester to receive such copies and identification of the person to whom the information is to be
201 disclosed. The health care entity shall accept a photocopy, facsimile, or other copy of the original signed
202 by the requestor as if it were an original. Within 15 days of receipt of a request for copies of health
203 records, the health care entity shall do one of the following: (i) furnish such copies to any requester
204 authorized to receive them; (ii) inform the requester if the information does not exist or cannot be
205 found; (iii) if the health care entity does not maintain a record of the information, so inform the
206 requester and provide the name and address, if known, of the health care entity who maintains the
207 record; or (iv) deny the request (a) under subsection F, (b) on the grounds that the requester has not
208 established his authority to receive such health records or proof of his identity, or (c) as otherwise
209 provided by law. Procedures set forth in this section shall apply only to requests for health records not
210 specifically governed by other provisions of state law.

211 F. Except as provided in subsection B of § 8.01-413, copies of an individual's health records shall
212 not be furnished to such individual or anyone authorized to act on the individual's behalf when the
213 individual's treating physician or the individual's treating clinical psychologist has made a part of the
214 individual's record a written statement that, in the exercise of his professional judgment, the furnishing
215 to or review by the individual of such health records would be reasonably likely to endanger the life or
216 physical safety of the individual or another person, or that such health record makes reference to a
217 person other than a health care provider and the access requested would be reasonably likely to cause
218 substantial harm to such referenced person. If any health care entity denies a request for copies of health
219 records based on such statement, the health care entity shall inform the individual of the individual's
220 right to designate, in writing, at his own expense, another reviewing physician or clinical psychologist,
221 whose licensure, training and experience relative to the individual's condition are at least equivalent to
222 that of the physician or clinical psychologist upon whose opinion the denial is based. The designated
223 reviewing physician or clinical psychologist shall make a judgment as to whether to make the health
224 record available to the individual.

225 The health care entity denying the request shall also inform the individual of the individual's right to
226 request in writing that such health care entity designate, at its own expense, a physician or clinical
227 psychologist, whose licensure, training, and experience relative to the individual's condition are at least
228 equivalent to that of the physician or clinical psychologist upon whose professional judgment the denial
229 is based and who did not participate in the original decision to deny the health records, who shall make
230 a judgment as to whether to make the health record available to the individual. The health care entity
231 shall comply with the judgment of the reviewing physician or clinical psychologist. The health care
232 entity shall permit copying and examination of the health record by such other physician or clinical
233 psychologist designated by either the individual at his own expense or by the health care entity at its
234 expense.

235 Any health record copied for review by any such designated physician or clinical psychologist shall
236 be accompanied by a statement from the custodian of the health record that the individual's treating
237 physician or clinical psychologist determined that the individual's review of his health record would be
238 reasonably likely to endanger the life or physical safety of the individual or would be reasonably likely
239 to cause substantial harm to a person referenced in the health record who is not a health care provider.

240 Further, nothing herein shall be construed as giving, or interpreted to bestow the right to receive
241 copies of, or otherwise obtain access to, psychotherapy notes to any individual or any person authorized
242 to act on his behalf.

G. A written authorization to allow release of an individual's health records shall substantially include the following information:

AUTHORIZATION TO RELEASE CONFIDENTIAL HEALTH RECORDS

Individual's Name

...

Health Care Entity's Name

...

Person, Agency, or Health Care Entity to whom disclosure is to be made

...

Information or Health Records to be disclosed

...

Purpose of Disclosure or at the Request of the Individual

..

As the person signing this authorization, I understand that I am giving my permission to the above-named health care entity for disclosure of confidential health records. I understand that the health care entity may not condition treatment or payment on my willingness to sign this authorization unless the specific circumstances under which such conditioning is permitted by law are applicable and are set forth in this authorization. I also understand that I have the right to revoke this authorization at any time, but that my revocation is not effective until delivered in writing to the person who is in possession of my health records and is not effective as to health records already disclosed under this authorization. A copy of this authorization and a notation concerning the persons or agencies to whom disclosure was made shall be included with my original health records. I understand that health information disclosed under this authorization might be redisclosed by a recipient and may, as a result of such disclosure, no longer be protected to the same extent as such health information was protected by law while solely in the possession of the health care entity.

This authorization expires on (date) or (event)

Signature of Individual or Individual's Legal Representative if Individual is Unable to Sign

.....

Relationship or Authority of Legal Representative

Date of Signature

H. Pursuant to this subsection:

1. Unless excepted from these provisions in subdivision 9 of this subsection, no party to a civil, criminal or administrative action or proceeding shall request the issuance of a subpoena duces tecum for another party's health records or cause a subpoena duces tecum to be issued by an attorney unless a copy of the request for the subpoena or a copy of the attorney-issued subpoena is provided to the other party's counsel or to the other party if pro se, simultaneously with filing the request or issuance of the subpoena. No party to an action or proceeding shall request or cause the issuance of a subpoena duces tecum for the health records of a nonparty witness unless a copy of the request for the subpoena or a copy of the attorney-issued subpoena is provided to the nonparty witness simultaneously with filing the request or issuance of the attorney-issued subpoena.

No subpoena duces tecum for health records shall set a return date earlier than 15 days from the date of the subpoena except by order of a court or administrative agency for good cause shown. When a court or administrative agency directs that health records be disclosed pursuant to a subpoena duces tecum earlier than 15 days from the date of the subpoena, a copy of the order shall accompany the subpoena.

Any party requesting a subpoena duces tecum for health records or on whose behalf the subpoena duces tecum is being issued shall have the duty to determine whether the individual whose health records are being sought is pro se or a nonparty.

In instances where health records being subpoenaed are those of a pro se party or nonparty witness, the party requesting or issuing the subpoena shall deliver to the pro se party or nonparty witness together with the copy of the request for subpoena, or a copy of the subpoena in the case of an attorney-issued subpoena, a statement informing them of their rights and remedies. The statement shall include the following language and the heading shall be in boldface capital letters:

NOTICE TO INDIVIDUAL

The attached document means that (insert name of party requesting or causing issuance of the subpoena) has either asked the court or administrative agency to issue a subpoena or a subpoena has been issued by the other party's attorney to your doctor, other health care providers (names of health care providers inserted here) or other health care entity (name of health care entity to be inserted here) requiring them to produce your health records. Your doctor, other health care provider or other health

care entity is required to respond by providing a copy of your health records. If you believe your health records should not be disclosed and object to their disclosure, you have the right to file a motion with the clerk of the court or the administrative agency to quash the subpoena. If you elect to file a motion to quash, such motion must be filed within 15 days of the date of the request or of the attorney-issued subpoena. You may contact the clerk's office or the administrative agency to determine the requirements that must be satisfied when filing a motion to quash and you may elect to contact an attorney to represent your interest. If you elect to file a motion to quash, you must notify your doctor, other health care provider(s), or other health care entity, that you are filing the motion so that the health care provider or health care entity knows to send the health records to the clerk of court or administrative agency in a sealed envelope or package for safekeeping while your motion is decided.

2. Any party filing a request for a subpoena duces tecum or causing such a subpoena to be issued for an individual's health records shall include a Notice in the same part of the request in which the recipient of the subpoena duces tecum is directed where and when to return the health records. Such notice shall be in boldface capital letters and shall include the following language:

NOTICE TO HEALTH CARE ENTITIES

A COPY OF THIS SUBPOENA DUCES TECUM HAS BEEN PROVIDED TO THE INDIVIDUAL WHOSE HEALTH RECORDS ARE BEING REQUESTED OR HIS COUNSEL. YOU OR THAT INDIVIDUAL HAS THE RIGHT TO FILE A MOTION TO QUASH (OBJECT TO) THE ATTACHED SUBPOENA. IF YOU ELECT TO FILE A MOTION TO QUASH, YOU MUST FILE THE MOTION WITHIN 15 DAYS OF THE DATE OF THIS SUBPOENA.

YOU MUST NOT RESPOND TO THIS SUBPOENA UNTIL YOU HAVE RECEIVED WRITTEN CERTIFICATION FROM THE PARTY ON WHOSE BEHALF THE SUBPOENA WAS ISSUED THAT THE TIME FOR FILING A MOTION TO QUASH HAS ELAPSED AND THAT:

NO MOTION TO QUASH WAS FILED; OR

ANY MOTION TO QUASH HAS BEEN RESOLVED BY THE COURT OR THE ADMINISTRATIVE AGENCY AND THE DISCLOSURES SOUGHT ARE CONSISTENT WITH SUCH RESOLUTION.

IF YOU RECEIVE NOTICE THAT THE INDIVIDUAL WHOSE HEALTH RECORDS ARE BEING REQUESTED HAS FILED A MOTION TO QUASH THIS SUBPOENA, OR IF YOU FILE A MOTION TO QUASH THIS SUBPOENA, YOU MUST SEND THE HEALTH RECORDS ONLY TO THE CLERK OF THE COURT OR ADMINISTRATIVE AGENCY THAT ISSUED THE SUBPOENA OR IN WHICH THE ACTION IS PENDING AS SHOWN ON THE SUBPOENA USING THE FOLLOWING PROCEDURE:

PLACE THE HEALTH RECORDS IN A SEALED ENVELOPE AND ATTACH TO THE SEALED ENVELOPE A COVER LETTER TO THE CLERK OF COURT OR ADMINISTRATIVE AGENCY WHICH STATES THAT CONFIDENTIAL HEALTH RECORDS ARE ENCLOSED AND ARE TO BE HELD UNDER SEAL PENDING A RULING ON THE MOTION TO QUASH THE SUBPOENA. THE SEALED ENVELOPE AND THE COVER LETTER SHALL BE PLACED IN AN OUTER ENVELOPE OR PACKAGE FOR TRANSMITTAL TO THE COURT OR ADMINISTRATIVE AGENCY.

3. Upon receiving a valid subpoena duces tecum for health records, health care entities shall have the duty to respond to the subpoena in accordance with the provisions of subdivisions 4, 5, 6, 7, and 8 of this subsection.

4. Except to deliver to a clerk of the court or administrative agency subpoenaed health records in a sealed envelope as set forth, health care entities shall not respond to a subpoena duces tecum for such health records until they have received a certification as set forth in subdivision 5 or 8 of this subsection from the party on whose behalf the subpoena duces tecum was issued.

If the health care entity has actual receipt of notice that a motion to quash the subpoena has been filed or if the health care entity files a motion to quash the subpoena for health records, then the health care entity shall produce the health records, in a securely sealed envelope, to the clerk of the court or administrative agency issuing the subpoena or in whose court or administrative agency the action is pending. The court or administrative agency shall place the health records under seal until a determination is made regarding the motion to quash. The securely sealed envelope shall only be opened on order of the judge or administrative agency. In the event the court or administrative agency grants the motion to quash, the health records shall be returned to the health care entity in the same sealed envelope in which they were delivered to the court or administrative agency. In the event that a judge or administrative agency orders the sealed envelope to be opened to review the health records in camera, a copy of the order shall accompany any health records returned to the health care entity. The health records returned to the health care entity shall be in a securely sealed envelope.

5. If no motion to quash is filed within 15 days of the date of the request or of the attorney-issued subpoena, the party on whose behalf the subpoena was issued shall have the duty to certify to the subpoenaed health care entity that the time for filing a motion to quash has elapsed and that no motion

to quash was filed. Any health care entity receiving such certification shall have the duty to comply with the subpoena duces tecum by returning the specified health records by either the return date on the subpoena or five days after receipt of the certification, whichever is later.

6. In the event that the individual whose health records are being sought files a motion to quash the subpoena, the court or administrative agency shall decide whether good cause has been shown by the discovering party to compel disclosure of the individual's health records over the individual's objections. In determining whether good cause has been shown, the court or administrative agency shall consider (i) the particular purpose for which the information was collected; (ii) the degree to which the disclosure of the records would embarrass, injure, or invade the privacy of the individual; (iii) the effect of the disclosure on the individual's future health care; (iv) the importance of the information to the lawsuit or proceeding; and (v) any other relevant factor.

7. Concurrent with the court or administrative agency's resolution of a motion to quash, if subpoenaed health records have been submitted by a health care entity to the court or administrative agency in a sealed envelope, the court or administrative agency shall: (i) upon determining that no submitted health records should be disclosed, return all submitted health records to the health care entity in a sealed envelope; (ii) upon determining that all submitted health records should be disclosed, provide all the submitted health records to the party on whose behalf the subpoena was issued; or (iii) upon determining that only a portion of the submitted health records should be disclosed, provide such portion to the party on whose behalf the subpoena was issued and return the remaining health records to the health care entity in a sealed envelope.

8. Following the court or administrative agency's resolution of a motion to quash, the party on whose behalf the subpoena duces tecum was issued shall have the duty to certify in writing to the subpoenaed health care entity a statement of one of the following:

a. All filed motions to quash have been resolved by the court or administrative agency and the disclosures sought in the subpoena duces tecum are consistent with such resolution; and, therefore, the health records previously delivered in a sealed envelope to the clerk of the court or administrative agency will not be returned to the health care entity;

b. All filed motions to quash have been resolved by the court or administrative agency and the disclosures sought in the subpoena duces tecum are consistent with such resolution and that, since no health records have previously been delivered to the court or administrative agency by the health care entity, the health care entity shall comply with the subpoena duces tecum by returning the health records designated in the subpoena by the return date on the subpoena or five days after receipt of certification, whichever is later;

c. All filed motions to quash have been resolved by the court or administrative agency and the disclosures sought in the subpoena duces tecum are not consistent with such resolution; therefore, no health records shall be disclosed and all health records previously delivered in a sealed envelope to the clerk of the court or administrative agency will be returned to the health care entity;

d. All filed motions to quash have been resolved by the court or administrative agency and the disclosures sought in the subpoena duces tecum are not consistent with such resolution and that only limited disclosure has been authorized. The certification shall state that only the portion of the health records as set forth in the certification, consistent with the court or administrative agency's ruling, shall be disclosed. The certification shall also state that health records that were previously delivered to the court or administrative agency for which disclosure has been authorized will not be returned to the health care entity; however, all health records for which disclosure has not been authorized will be returned to the health care entity;

e. All filed motions to quash have been resolved by the court or administrative agency and the disclosures sought in the subpoena duces tecum are not consistent with such resolution and, since no health records have previously been delivered to the court or administrative agency by the health care entity, the health care entity shall return only those health records specified in the certification, consistent with the court or administrative agency's ruling, by the return date on the subpoena or five days after receipt of the certification, whichever is later.

A copy of the court or administrative agency's ruling shall accompany any certification made pursuant to this subdivision.

9. The provisions of this subsection have no application to subpoenas for health records requested under § 8.01-413, or issued by a duly authorized administrative agency conducting an investigation, audit, review or proceedings regarding a health care entity's conduct.

The provisions of this subsection shall apply to subpoenas for the health records of both minors and adults.

Nothing in this subsection shall have any effect on the existing authority of a court or administrative agency to issue a protective order regarding health records, including, but not limited to, ordering the return of health records to a health care entity, after the period for filing a motion to quash has passed.

426 A subpoena for substance abuse records must conform to the requirements of federal law found in 42
427 C.F.R. Part 2, Subpart E.

428 I. Health care entities may testify about the health records of an individual in compliance with
429 §§ 8.01-399 and 8.01-400.2.

430 J. If an individual requests a copy of his health record from a health care entity, the health care
431 entity may impose a reasonable cost-based fee, which shall include only the cost of supplies for and
432 labor of copying the requested information, postage when the individual requests that such information
433 be mailed, and preparation of an explanation or summary of such information as agreed to by the
434 individual. For the purposes of this section, "individual" shall subsume a person with authority to act on
435 behalf of the individual who is the subject of the health record in making decisions related to his health
436 care.

437 Article 3.

438 *Office of the Inspector General for Medical Assistance Services.*

439 § 32.1-321.5. *Office created; appointment of Inspector General for Medical Assistance Services.*

440 *There is hereby created the Office of Inspector General for Medical Assistance Services for the*
441 *purpose of providing objective review and evaluation of all activities and services of the Department of*
442 *Medical Assistance Services and investigation and diligent prosecution of provider or recipient fraud*
443 *and abuse.*

444 *The Inspector General for Medical Assistance Services shall be appointed by the Governor for a*
445 *term of four years, subject to confirmation by the General Assembly, and shall report to the Governor.*
446 *The Inspector General shall be appointed initially for a term that expires one full year following the end*
447 *of the Governor's term of office, and thereafter, the term shall be for four years. Vacancies shall be*
448 *filled by appointment by the Governor for the unexpired term and shall be effective until 30 days after*
449 *the next meeting of the ensuing General Assembly and, if confirmed, thereafter for the remainder of the*
450 *term.*

451 § 32.1-321.6. *Powers and duties of Inspector General.*

452 *The Inspector General shall have the following powers and duties:*

453 1. *To operate and manage the Office of the Inspector General and to employ the personnel required*
454 *to carry out the provisions of this article.*

455 2. *To make and enter into contracts and agreements that may be necessary and incidental to carry*
456 *out the provisions of this article, and to apply for and accept grants from the United States government,*
457 *agencies and instrumentalities thereof, and any other source, in furtherance of the provisions of this*
458 *article.*

459 3. *To provide inspections of and make policy and operational recommendations for medical and*
460 *other healthcare facilities and managed care organizations participating in the Virginia Medicaid*
461 *program, any other entity contracting with the Department of Medical Assistance Services (DMAS), and*
462 *the programs and procedures of DMAS to improve the effectiveness of programs and services, contain*
463 *costs, reduce inaccurate or unauthorized claims and reimbursement, and detect fraud and abuse.*

464 *The Inspector General shall provide oversight and may conduct announced and unannounced*
465 *inspections of medical and other healthcare providers, managed care organizations, and other*
466 *contractors on an ongoing basis in response to specific complaints of abuse, neglect, or inadequate care*
467 *and as a result of monitoring the utilization review procedures and other records of the Department of*
468 *Medical Assistance Services.*

469 4. *To access any and all information, including protected health information pursuant to subdivision*
470 *of § 32.1-127.1:03, related to the delivery of services to Medicaid recipients.*

471 5. *To recommend changes in the Virginia Medicaid program to improve its efficiency and*
472 *effectiveness and to contain growth in Medicaid expenditures.*

473 6. *To notify in a timely manner the attorney for the Commonwealth for the relevant jurisdiction,*
474 *whenever the Inspector General has reasonable grounds to believe that Medicaid fraud has taken place.*

475 7. *To monitor and participate in the adoption of regulations by the Board of Medical Assistance*
476 *Services.*

477 9. *To conduct independent reviews and investigations of any and all aspects of the Virginia Medicaid*
478 *program and the Department of Medical Assistance Services.*

479 § 32.1-321. 7. *Reports.*

480 A. *The Inspector General shall prepare, not later than May 31 and November 30 of each year,*
481 *semiannual reports summarizing the activities of the Office during the immediately preceding six-month*
482 *periods ending March 31 and September 30. Reports shall include:*

483 1. *A description of significant problems, abuses, and deficiencies related to the administration of the*
484 *programs and services of the Department of Medical Assistance Services and the Virginia Medicaid*
485 *program during the reporting period;*

486 2. *A description of the recommendations for corrective actions made by the Office during the*
487 *reporting period with respect to significant problems, abuses, or deficiencies identified;*

488 3. An identification of each significant recommendation, described in previous reports under this
489 section, on which corrective action has not been completed;

490 4. A summary of matters referred to the attorneys for the Commonwealth and law enforcement
491 officials by the Inspector General; and

492 5. Information concerning the number of complaints received and types of investigations completed
493 by the Office during the reporting period.

494 B. Within 30 days of the transmission of each semiannual report, the Inspector General shall make
495 copies of the report available to the public upon request and at a reasonable cost.

496 C. The Inspector General shall report immediately to the Governor whenever the Office becomes
497 aware of particularly serious problems, abuses, or deficiencies relating to the programs and services of
498 the Department of Medical Assistance Services.

499 D. Notwithstanding any other provision of law, the reports, information, or documents required by or
500 under this section shall be transmitted directly to the Governor and the General Assembly by the
501 Inspector General without preliminary clearances or approvals. The Inspector General shall, insofar as
502 feasible, provide copies of the semiannual reports to the Governor in advance of the date for their
503 submission to the General Assembly, to provide a reasonable opportunity for comments of the Governor
504 to be appended to the reports when they are submitted to the General Assembly.

505 E. Records that are confidential under federal or state law shall be maintained as confidential by the
506 Inspector General and shall not be further disclosed, except as permitted by law.

507 G. The Inspector General's written reports on any medical or healthcare provider or facility or
508 managed care organization or any entity contracting with the Department of Medical Assistance
509 Services shall be transmitted to the Governor for review and comment as deemed necessary by the
510 Governor. The Department shall comment in writing on any recommendations made by the Inspector
511 General.