

SUBJECT: Allowing health care providers to compile electronic driver's license data

COMMITTEE: Transportation — committee substitute recommended

VOTE: 9 ayes — Krusee, Phillips, Harper-Brown, Deshotel, Haggerty, Harless, Hill, Macias, Murphy

0 nays

WITNESSES: For — Steven Kotyk, QuadraMed Corporation; Donald Scott Phillips, Texas Hospital Resources; (*Registering, but not testifying*: Jessica Bennett, Texas Pharmacy Association; Karen Reagan, Texas Federation of Drug Stores; Matthew T. Wall, Texas Hospital Association; Lynda Woolbert, Coalition for Nurses in Advanced Practice)

Against — None

BACKGROUND: Transportation Code, sec. 521.126 limits the information contained electronically on the magnetic strip of a driver's license to information printed on the front of the license and a physical description of the licensee. This section also prohibits the transmission and misuse of driver's license information.

Driver's license information is misused if the information is accessed or used from the magnetic strip or compiled or maintained in an electronic database. This prohibition does not apply generally to compiling data for a law enforcement or governmental purpose and specifically to Department of Public Safety personnel, Parks and Wildlife licensing deputies, persons enforcing the alcohol or tobacco laws such as by checking a person's age, or persons establishing the identity of a voter. In addition, a financial institution may compile a database of driver's license information with the consent of the licensees, and the executive in charge of a maritime facility may authorize the compilation of a database of driver's license information for specified port security purposes.

An offense for the misuse of driver's license information is a class A misdemeanor, punishable by up to one year in jail and/or a maximum fine of \$4,000.

**DIGEST:** CSHB 1060 would amend Transportation Code, sec. 521.126 to allow health care providers — including physicians, hospitals, and other health professionals — to retrieve and use the electronically readable information from the magnetic strip on a driver’s license or a personal identification certificate to compile patient records.

In accordance with federal Health Insurance Portability and Accountability Act rules, CSHB 1060 also would allow providers to transfer such personal information to appropriate health-related organizations in the process of providing health care services to the individual. The secondary recipient of the information could use and compile it as necessary for this purpose.

CSHB 1060 would take effect September 1, 2007.

**SUPPORTERS SAY:** CSHB 1060 would help eliminate errors in patient data, improve efficiency, and reduce costs for hospitals and other health care providers. Currently, providers are not permitted to use or maintain databases of information from driver’s licenses. When patients enter the hospital and give personal data to intake personnel, for example, this information can be misheard or mistyped. When the data is entered incorrectly, it can be difficult for a hospital to locate the patient record at a later date, which can lead to the erroneous creation of duplicate records. As a result, hospitals and health care providers may have on file multiple contradictory medical records for a single patient, which can be detrimental to providing appropriate health care. CSHB 1060 would alleviate some of this problem by allowing a hospital or other provider to scan the magnetic strip of a driver’s license. The information obtained in this manner would remain consistent, and there would be less concern about duplicate records.

CSHB 1060 also would improve efficiency and reduce costs for hospitals because instead of intake clerks having to enter information into the computer manually, a simple swipe of the driver’s license would populate all of the demographic data of the intake form. Further, this would eliminate the extra time and expense spent trying to locate duplicate records. The bill would not create a mandatory program, but it would go a long way toward helping hospitals improve patient care and efficiency.

The electronically readable information on a drivers’ license is data that providers groups have a legitimate need to collect and maintain. Concerns about misappropriation are exaggerated because this is information that

health care providers have a legitimate need to collect. Further, the Transportation Code punishes misappropriation of drivers' license information with a hefty fine and possible jail time. A number of entities in current law are authorized to collect driver's license information electronically for important purposes such as protecting public safety and ensuring the security of financial transactions. Similarly, this privilege should be extended to health care professionals so that they can perform their important duties more effectively and efficiently.

**OPPONENTS  
SAY:**

CSHB 1060 could compromise the personal information of health care consumers while not dramatically improving patient safety. Very few hospital medical records are duplicates — ranging between 4 percent and 12 percent according to recent data. This low incidence of duplicates does not warrant creating a new system granting broad exceptions to a variety of health related organizations from the prohibition on collecting and using electronically readable driver's license information. Current law appropriately limits using the private information contained on a magnetic strip to a select few entities, including law enforcement and governmental agencies. This bill would increase opportunities for the misappropriation of driver's license information.

**NOTES:**

The committee substitute would allow health care providers to transfer personal data information for the purposes of treatment of the individual as long as the transfer complied with HIPAA requirements.