



# Funding Brief: Statewide Health Information Exchange

## Public Act 15-146

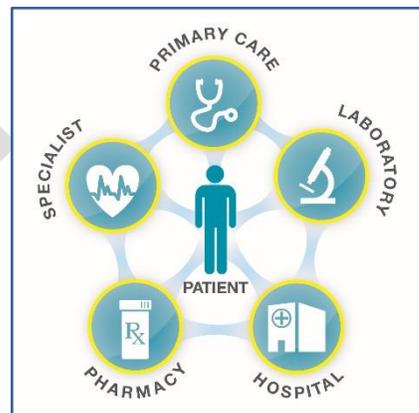
The 2015 Connecticut General Assembly passed Senate Bill No. 811 authorizing the Commissioner of the Department of Social Services (DSS) to administer a statewide Health Information Exchange (HIE). The resulting Public Act 15-146 also establishes a 28-member state Health IT Advisory Council.

*“Sec. 25. (NEW) (Effective July 1, 2015) (a) There shall be a State Health Information Technology Advisory Council to advise the Commissioner of Social Services in developing priorities and policy recommendations for advancing the state's health information technology and health information exchange efforts and goals and to advise the commissioner in the development and implementation of the state-wide health information technology plan and standards and the State-wide Health Information Exchange, established pursuant to section 21 of this act. The advisory council shall also advise the commissioner regarding the development of appropriate governance, oversight and accountability measures to ensure success in achieving the state's health information technology and exchange goals.”*

## What are Health Information Exchanges?

As with most health Information technology solutions, there are multiple definitions of HIEs. The basic feature of HIEs is the electronic movement of health information between two entities with data transfers based on nationally recognized standards.

The Office of the National Coordinator for Health Information Technology (ONC) presents an operational definition, stating that, “HIE allows doctors, nurses, pharmacists and other health care providers to securely share a patient’s vital medical information electronically—reducing the need for the patient to transport or relay their medical history, lab results, images or prescriptions between health professionals. Instead, this information is shared between health care providers before the patient arrives for an appointment or goes to the pharmacy to pick up a medication<sup>1</sup>.”



Source: ONC website<sup>1</sup>

## Consumer-Mediated Exchange

Consumer-mediated exchange provides patients with access to their health information, allowing them to manage their health care online similar to how they might manage their finances through online banking. When in control of their own health information, patients can actively participate in their care coordination by:

- Providing their health information to others.
- Identifying and correcting wrong or missing health information.
- Identifying and correcting incorrect billing information.
- Tracking and monitoring their own health.<sup>2</sup>

### ONC’s vision for Consumer eHealth

*“The power of each individual is developed and unleashed to be active in managing their health and partnering in their health care, enabled by information and technology.”*

<sup>1</sup> ONC, <https://www.healthit.gov/providers-professionals/health-information-exchange/what-hie>, downloaded on 12/7/2015

<sup>2</sup> Claudia Williams, Farzad Mostashari, Kory Mertz, Emily Hogin and Parmeeth Atwal. From The Office of The National Coordinator: The Strategy For Advancing The Exchange of Health Information. Health Affairs, 31, no.3 (2012):527-536.

## Why invest in Health IT Infrastructure and a statewide HIE?

The Health Information Technology for Economic and Clinical Health (HITECH) Act aims to “improve health care and make it patient-centric through the creation of a secure, interoperable nationwide information network. A key premise is that information should follow the patient, and artificial obstacles – technical, bureaucratic, or business related – should not be a barrier to the seamless exchange of information.” HIEs are an essential component in the evolving state and national health care landscape. Potential benefits of a statewide HIE include:

- Improved patient care coordination;
- Better health outcomes;
- Reduction in unnecessary tests and procedures;
- Reduction in medical error;
- Opportunities for improved quality reporting and public health surveillance; and
- Cost reductions for both public and private payers.

## What are successful statewide HIEs doing?

Almost all states have implemented HIEs, at least once. With the exception of a few states, HIEs are struggling financially. HIEs in Maine, Michigan, Colorado and Ohio are demonstrating success at multiple levels.<sup>3</sup> The following characteristics are shared among successful HIEs:

- A clear value proposition;
- A strategic business plan that guides their operations, policies, and service offerings;
- A customer base that is willing to pay for HIE services;
- An operating budget;
- Backing of policy and stakeholder support; and
- Service offerings that support,
  - Point-to-point communication (Direct Secure Messaging),
  - Alert notifications, and
  - Care-coordination.

## Connecticut’s Statewide HIE Vision and Goals

Currently, all hospitals and about 80% of the physicians in our state are using certified EHRs.<sup>4</sup> Additionally, these EHRs are certified and are expected at a minimum to provide mechanisms for a person to “view, download, and transmit” their data. Empowering people to take charge of their health information is not only prudent but also fiscally sound policy.

### **Vision**

**The Public Act cites the following vision for the statewide HIE:**

*“There shall be established a State-wide Health Information Exchange to empower consumers to make effective health care decisions, promote patient-centered care, improve the quality, safety and value of health care, reduce waste and duplication of services, support clinical decision-making, keep confidential health information secure and make progress toward the state’s public health goals (Section 21(a)).”*

<sup>3</sup> <http://www.healthcare-informatics.com/article/top-ten-tech-trends-survivor-edition-hie-can-statewide-hies-achieve-sustainability>

<sup>4</sup> Tikoo M. *Evaluating Connecticut’s Health Information Technology Exchange: Executive Summary*. Farmington, CT: University of Connecticut Health Center; 2014.

## Goals

### The Public Act cites the following goals for the statewide HIE:

*"It shall be the goal of the State-wide Health Information Exchange to:*

- 1. Allow real-time, secure access to patient health information and complete medical records across all health care provider settings;*
- 2. Provide patients with secure electronic access to their health information;*
- 3. Allow voluntary participation by patients to access their health information at no cost;*
- 4. Support care coordination through real-time alerts and timely access to clinical information;*
- 5. Reduce costs associated with preventable readmissions, duplicative testing and medical errors;*
- 6. Promote the highest level of interoperability;*
- 7. Meet all state and federal privacy and security requirements;*
- 8. Support public health reporting, quality improvement, academic research and health care delivery and payment reform through data aggregation and analytics;*
- 9. Support population health analytics;*
- 10. Be standards-based; and*
- 11. Provide for broad local governance that (a) Includes stakeholders, including, but not limited to, representatives of the Department of Social Services, hospitals, physicians, behavioral health care providers, long-term care providers, health insurers, employers, patients and academic or medical research institutions, and (b) Is committed to the successful development and implementation of the State-wide Health Information Exchange (Section 21(b))."*

To support the above mentioned goals, the state will:

- Initiate a robust stakeholder engagement process to establish the value proposition as well as a sustainable business model.
- Leverage current Health IT assets.
- Procure an alert-notification engine.

To meet the intent of the proposed Public Act and to be operational by July 1, 2016, the state will procure an alert notification engine [added to the existing HISP services] and hire staff/vendor to write and guide the RFP process to procure a solution(s). This strategy allows for the establishment of a robust stakeholder process to define the

value proposition that everyone is willing to pay for. This corrects the missed-step of HITE-CT that of buying technology without establishing stakeholder buy-in and payment agreements.

#### Current Connecticut Health IT Assets

- Enterprise Master Person Index
- Provider Registry
- Health Information Service Provider for Direct Messaging
- Data Aggregation Platform - Reporting electronic clinical quality measures (eCQMs)
- Personal Health Records (TEFT Grant)
- Population analytic engine and cross-payer analytics (SIM Grant)

## Who must submit data to the HIE?

Section 24 of the Public Act requires hospitals use EHR systems to enable bidirectional connectivity and the secure exchange of patient electronic health records between the hospital and any health care provider who maintains an EHR system and provides healthcare services to the patient. Data that can be shared include: laboratory and diagnostic tests; radiological and other diagnostic imaging; continuity of care documents; and discharge notifications and documents. Noncompliance can be deemed as health information blocking.

## Finance and Sustainability

The proposed budget is based on starting alert notification by July 1, 2016 and then uses an incremental approach by introducing new services offered by the statewide HIE that have value and are being paid for by the stakeholders. This budget assumes three phases (1) initiate and implement alert-notification service by July 1, 2016; (2) plan, design and implement statewide HIE, and (3) on-going operation of a statewide HIE. Per the Public Act, the DSS Commissioner, in consultation with the Health IT Advisory Council and with approval from the Secretary, seek approval to request \$2.46 million through state bond funds to establish a statewide HIE for SFY2016-17.

### Funding Request

The State has allocated \$650,641 for SFY2016-17 to support the planning, design and implementation of a statewide HIE. The proposed plan uses an incremental approach starting with a few core services and adding other services over time based on the stakeholder input. This plan is projected to cost \$3.11 million for SFY16-17. A fully-functional HIE solution would cost at least \$9.7M annually. The projected costs in the plan budget are based on review of what successful and sustainable statewide HIEs are doing today as well as why many HIEs are struggling to survive.

**There is currently an estimated gap of \$2.46 million between funds allocated to establish a statewide HIE and our projected budget for SFY16-17.** The funding gap must be closed in order to fulfill legislative mandates, and more importantly, improve health care for the people of Connecticut as envisioned in the Public Act. Previous attempts to establish a statewide HIE failed because of lack of stakeholder buy-in and lack of sustainable and dedicated funding sources.

#### Planning, Design and Implementation SFY16-17

Budget	SFY 2016	SFY 2017	SFY 2018-21
Salaries, Benefits and Overhead	\$73,000	\$828,168	\$12,926,998
Start-up Costs	\$0	\$217,840	\$323,520
Contracted Services	\$165,000	\$1,428,000	\$3,512,000
HIT Assets	\$200,000	\$200,000	\$22,040,000
<b>Total Costs</b>	<b>\$438,000</b>	<b>\$2,674,008</b>	<b>\$38,802,518</b>
<b>Funding Sources</b>			<b>9.7 Million/year</b>
State Investments: PA15-146 Funds	\$292,096	\$358,545	
State Investments: Bond Funds			
State Investments: General Funds			
Federal Investments			
Fees			
<b>Shortfall</b>	<b>-\$145,904</b>	<b>-\$2,315,463</b>	

## Public Investment and Sustainability

In review of states with successful HIEs, we found that all states have pricing models that are subscription and/or user-fee based. Securing commitment from participants to pay for value derived from HIE services is vital to sustainability. We have based our revenue projections on a simple model, \$3/per person per year based on the population on the state. We propose that one-third of the cost be supported by the state (state employees and Medicaid beneficiaries). How the remaining two-thirds of the costs are paid for by the various stakeholders will be the first decision to be made if the statewide HIE is expected to sustain itself and deliver the services identified in the Public Act. The state should pay a fair share for the use and benefit it derives from the statewide HIE, as should other stakeholders that benefit from the HIE.

**Above all we have kept our focus on the person and the value proposition as seen by a citizen.**