



Public Governance Models for Health Information Exchange

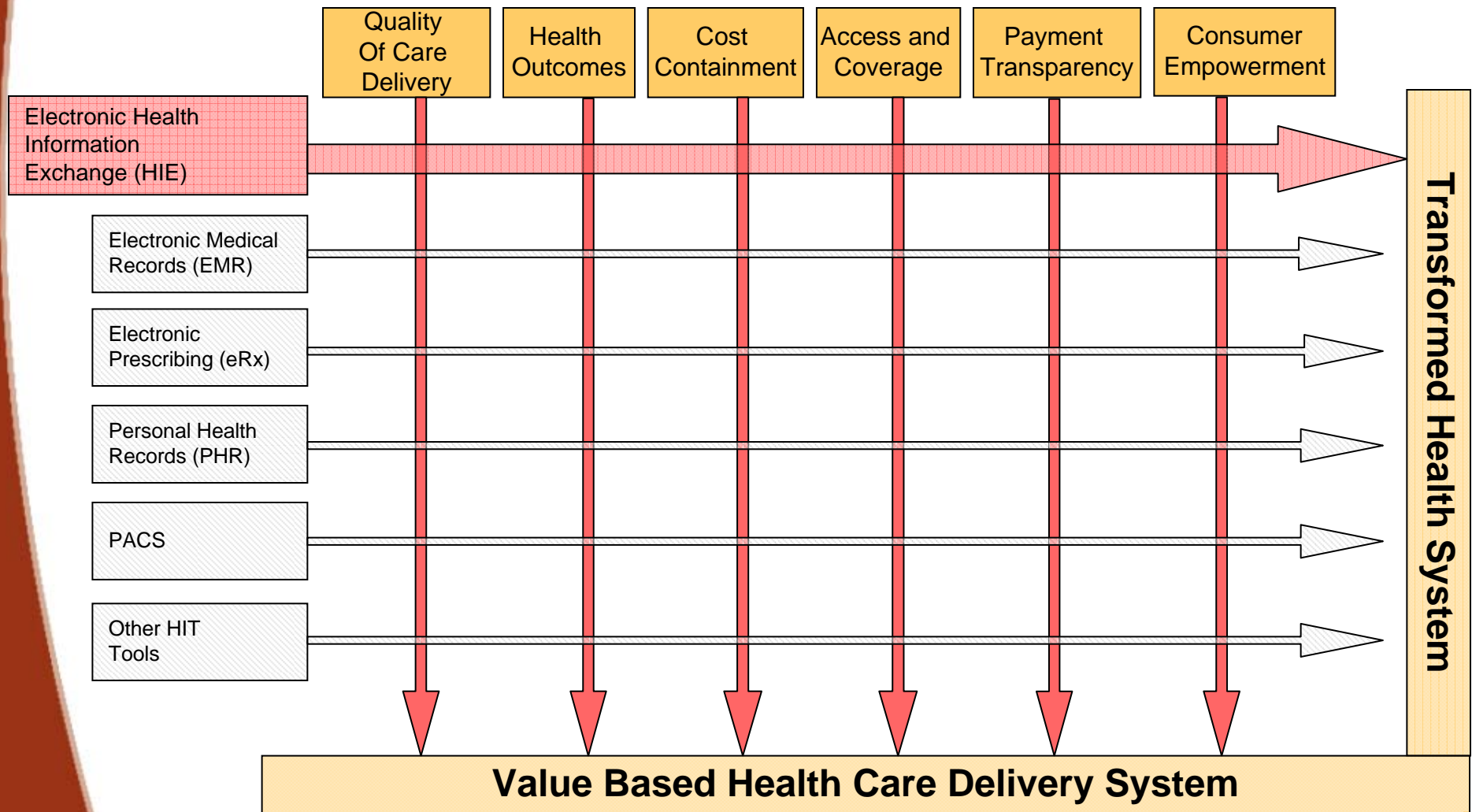
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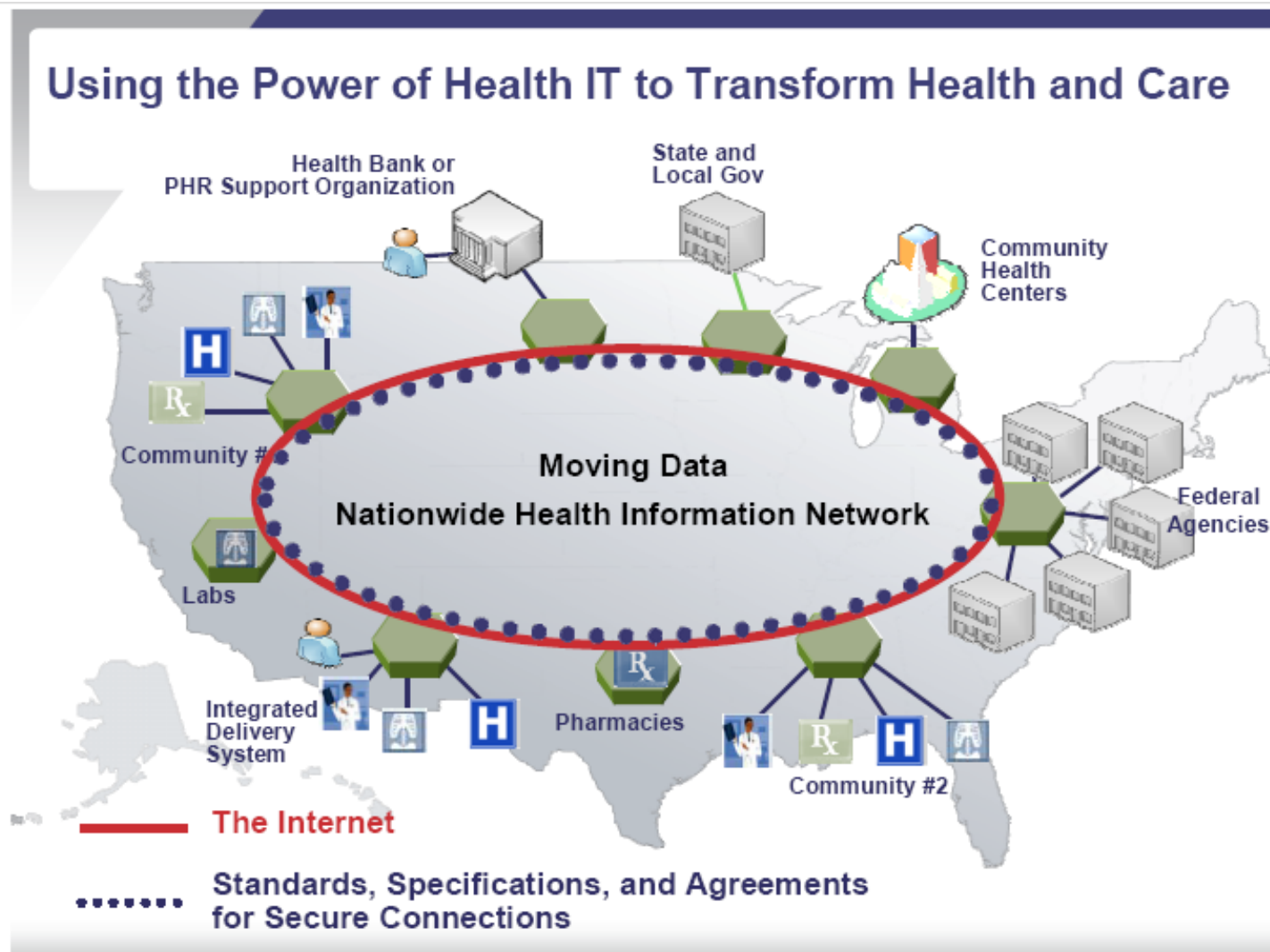
Outline

- The Goal: High Value Transformed Health Care System - supported by effective Health Information Exchange (HIE)
- ARRA and the HITECH Act: a Game Changer?
- National Governors Association (NGA) Study on Public Sector Governance Models:
 - Current State of the HIE Industry
 - Public/Private Governance Models for State's involvement in Electronic HIE
- Discussion: Implications for State Chief Information Officers

HIT and HIE: Tools to Improve and Transform Healthcare



The Goal: A Nation Wide Health Information Network



Source: THE ONC-COORDINATED FEDERAL HEALTH INFORMATION TECHNOLOGY STRATEGIC PLAN: 2008-2012, SYNOPSIS, JUNE 3, 2008

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State Governments Have an Interest in Sustainable Health Information Exchange

- State Governments have significant interests in HIE as a stakeholder (payer, purchaser, provider), as a regulator, and with regard to promoting public health
- Most experts posit HIE as a “Public Good” that requires and will benefit from state involvement and oversight
- Sustainable exclusively private business models for broad electronic HIE are lacking
- Many ARRA “stimulus” provisions are focused on states and states and state designated entities

ARRA HIT/HIE Provisions: States are the Focus of Much of the \$MONEY

Appropriations for Health IT

\$2 billion for loans, grants & technical assistance for:

- National Resource Center and Regional Extension Centers
- EHR State Loan Fund
- Workforce Training
- Research and Demonstrations

Appropriations for HIE

At least \$300 million of the total at HHS Secretary's discretion for HIE development

- Funneled largely through States or qualified State-designated entities
- For planning and/or implementation

New Incentives for Adoption

New Medicare and Medicaid payment incentives for HIT adoption

- \$20 billion in expected payments through Medicare to hospitals & physicians
- \$14 billion in expected payments through Medicaid
- ~\$34 billion expected outlays, 2011-2016

Community Health Centers

\$1.5 billion in grants through HRSA for construction, renovation and equipment, including acquisition of HIT systems

Broadband and Telehealth

\$4.3 billion for broadband & \$2.5 billion for distance learning/ telehealth grants

ARRA: “Meaningful Use” and “Information Exchange”

- To receive incentives, providers must meaningfully use a certified EHR:
 - Use electronic prescribing
 - Be connected in “a manner that provides for the electronic exchange of health information to improve the quality of health care, such as promoting care coordination”
 - Submit information on clinical quality measures

State Alliance for eHealth Public Sector HIE Governance Project

Goal: To identify model institutional structures and arrangements by which state governments can provide oversight and fiscal support for a sustainable electronic health information exchange (HIE) industry while assuring accountability for public dollar investments and appropriate consumer protections.

- **Project Team:**
 - UMass Medical School Center for Health Policy and Research
 - National Opinion Research Center
 - National Governors Association Center for Best Practices
- **Methods:**
 - Established an advisory committee of national experts in HIE, HIT, Public Policy, and Public Utilities to provide feedback and act as reactors to findings
 - Conducted a systematic review of the literature and interviews
 - HIE Industry developments
 - Oversight, accountability, and financing in public utility industries
 - Regulation and self-regulation in network and payment industries
 - Developed and vetted of public/private governance of HIE with the State Alliance

Findings: The HIE “Industry” is in Early Developmental Stages

- Currently approx. 42 Operating HIE Organizations in 2008 (eHealth Initiative Annual Survey)
- Yet, there are few sustainable business models for HIE
 - Sustainable business models for HIE require clearly articulated value proposition for all stakeholders
 - The misaligned incentives related to **competition** and **payment** interfere with the collaboration necessary for HIE
 - Most HIE efforts today are reliant on grants and contracts
- Several revenue models are being explored
 - Transaction and membership fees for core services
 - Value-add service fees
 - Assessments on claims (VT)

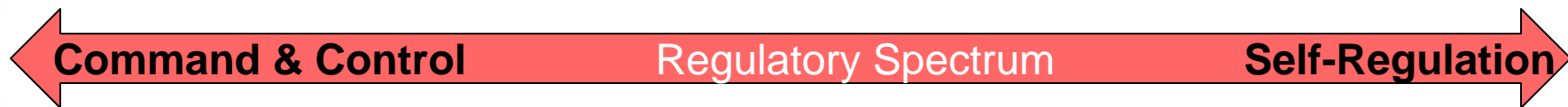
HIE Core Services are Not Defined

Electronic HIE Services	DHIN	IHIE	INHS	Health-Bridge	MedAllies/HVHIE	VITL
Clinical Messaging	✓	✓	✓	✓	✓	✓
Medication History	Planned	✓				Pilot
Quality Metrics/ Disease Mgt.		✓		Planned	X	Pilot
Administrative Data Sharing	✓ (limited)	✓	✓	✓		
Medication Compliance/ Reconciliation	Planned	✓			Planned	
e-Prescribing (e-Rx)	Planned	Planned	Planned	Planned		
Personal Health Record (PHR)				Planned		
EMR-Lite	Planned		✓	✓		
Secondary Use (Research)	Being Considered	Planned				
Consumer Access to Health Information			Planned	✓		
Public Health Surveillance		✓		✓	✓	
Public Health Reporting		✓		✓	Planned	
Claims Processing		✓		Planned		

Source: Public Governance Models for a Sustainable HIE Industry. 2009. This table represents a broad categorization of the services and transactions of operating HIE organizations interviewed in the summer of 2008. However, the specific transactions, data, and formats may differ at each organization.

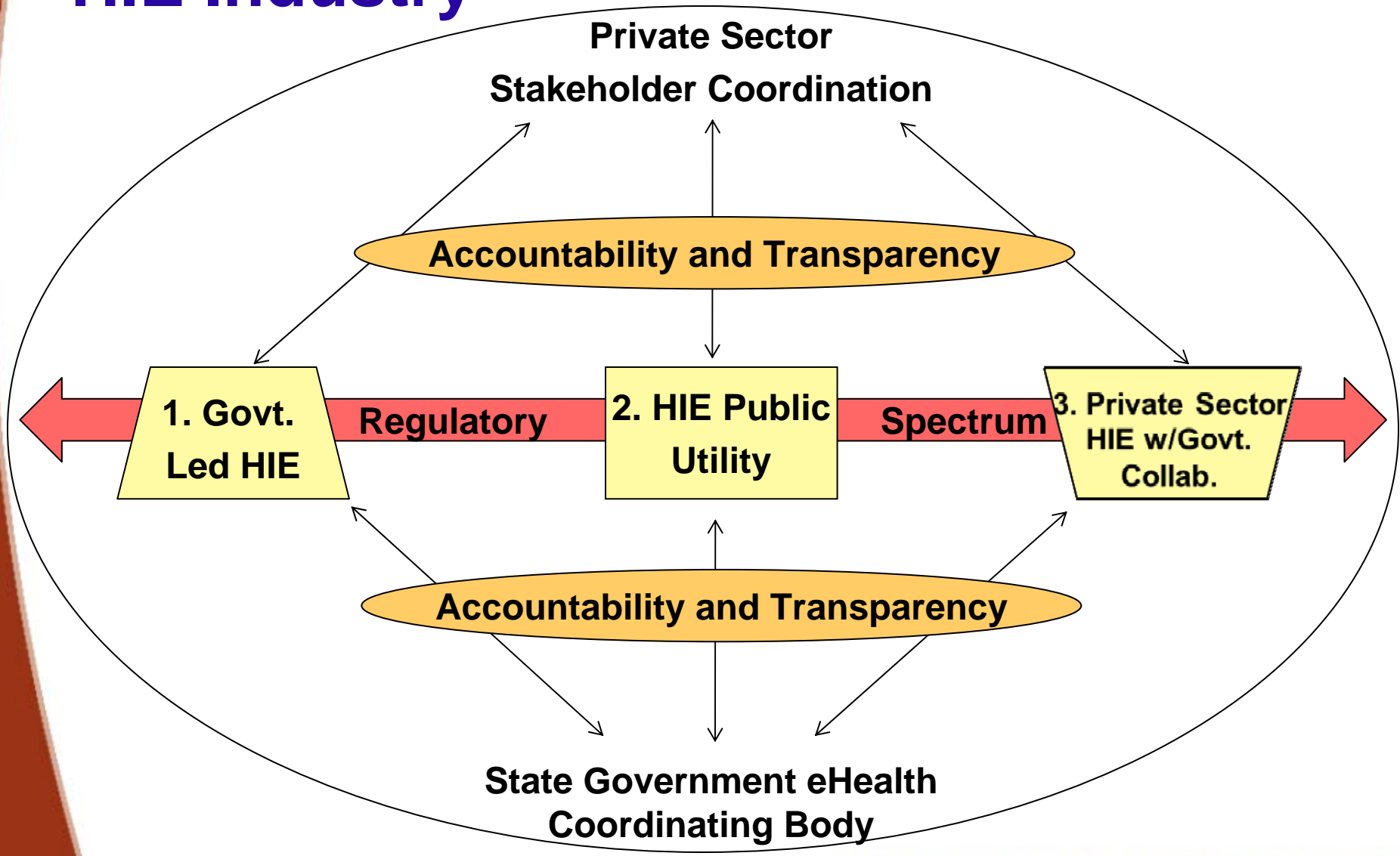
Assumptions for Developing a Framework for Public Sector Roles in HIE Governance

- The State Government may have many different roles in the oversight of the electronic HIE along the regulatory spectrum

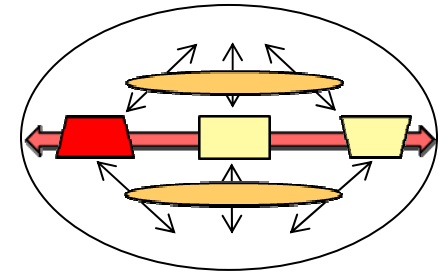


- Government will benefit by collaborating with existing HIE efforts (public and private)
- Government roles will likely change over time and therefore any structures need be amenable to change
- Flexibility will be required to be responsive to industry needs (Technology, Business, Policy)
- Broad based health reform efforts will intersect with HIE and considerations should be made as legal structures are adopted

Governance Models for a Sustainable HIE Industry

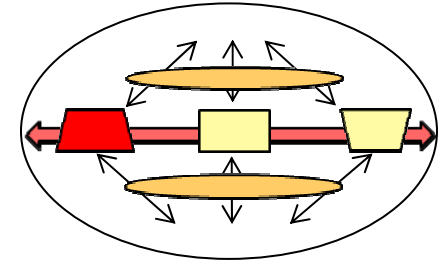


Oversight Model #1: Government Led Electronic HIE



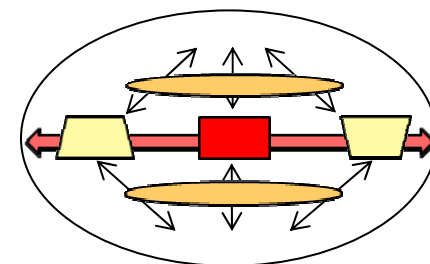
- Public sector directly provides governance and infrastructure for HIE: A separate governmental entity presents options for states where a “heavy hand” is perceived negatively by industry participants
 - A) Public Authority: Specific attributes defined in enabling legislation
 - May obtain and issue financing without involvement of main government
 - Entity may hold liability - not the government - depending on the structure
 - B) Government Controlled Corporation (GCC): Separate private legal entity
 - Government control by maintaining majority of seats on the board
 - Funding and support structure defined in statute, generally self-sustaining
- Government is directly accountable for the privacy, security, fiscal integrity, interoperability of the system, and for universal access to it
- The DE Health Information Network is a Public Authority serving as the statewide HIE organization, both overseeing and providing HIE services

Government Led Electronic HIE: Issues



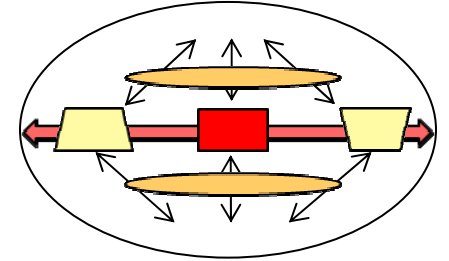
- Political processes may impact a state-controlled governance entity
 - Flexibility for changing health care policies / health reform
 - Ability to adapt to new HIE business models and promote innovation
 - Concerns regarding political influence may be addressed through the legal structure (e.g. board representation for stakeholders, staggered terms, etc.)
- Financial considerations
 - State investment may be a critical aspect of ongoing funding, although many states are using user fees and other such revenue streams for IT projects
 - State control may inhibit some private stakeholder investments
 - Governmental guarantees for liabilities for a GCC may assist in capital development

Oversight Model #2: Electronic HIE Public Utility with Government Oversight



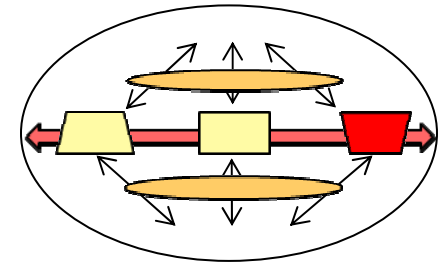
- Public sector regulates private sector provision of HIE
 - Public authority structure may address perceived issues for existing public agencies
- Functions of the government in this model may include
 - Rate setting
 - Policy development
 - Monitoring: Provide ongoing monitoring of the industry
- State government is accountable for fiscal integrity; and for addressing the market failures that limit universal access to HIE
- The Rhode Island Department of Health and the New York Department of Health are formalizing regulatory structures for HIE in their states

Pros and Cons of Electronic HIE Public Utility with Government Oversight: Issues



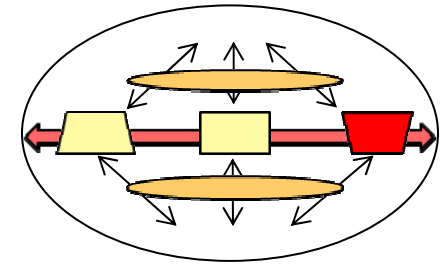
- Private sector is the primary provider of HIE services
 - Private sector will and capital to create a sustainable HIE infrastructure will impact success
 - This model may emerge out of Models 1 and 3 after initial infrastructure build-out
- State government monitoring structures will need to be developed to assure appropriate charges for designated services and transparency
- Universal access will be an important regulatory responsibility
 - Incentives and/or fees may be considered (e.g. universal service)

Oversight Model #3: Private Sector Led Electronic HIE with Government Participation



- Public sector participates in private HIE governance, exerting limited 'control' through financial and market based mechanisms
- Government acts in an advisory role
 - Accountability for privacy and security is a function of both governmental regulation and private sector self-regulation
 - Accountability for universal access and interoperability may be encouraged by incentives, market forces, and the threat of regulation
- State Government may participate in multi- stakeholder controlled electronic HIE organizations
 - Separate private corporation/organization with state government holding board of directors seat
- Multiple state governments are currently participating with private sector electronic HIE efforts

Private Sector Led Electronic HIE with Government Participation: Issues



- Consistent and regular monitoring of the industry will be a critical function of any state government inputs
- Mechanisms to address market inequity and inappropriate behavior:
 - Often the threat of regulation acts as an incentive for driving appropriate industrial behavior
 - Deeming authority, accreditation, and HIE certification may be future opportunities to drive accountability (EHNAC, CCHIT etc.) when appropriate definitions and business models are developed
- State funding may impact its ability to participate in the governance of any private sector HIE organizations
- Flexibility of the government to address rapid changes in policy will be needed

Discussion: Potential Implications for State CIOs

- State CIO's have an opportunity to provide leadership in the development of state enterprise-wide service-oriented architecture as well as strategy for internal coordination/interoperability (e.g. state e-Health coordinating body)
- State CIO's have an opportunity to provide leadership for representing State interests in various governance models involving external stakeholders
- Other?

Thank You!

For Further Information:

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<http://www.umassmed.edu/chpr/HIT.aspx>

Useful Links:

Office of the National Coordinator for HIT: <http://www.hhs.gov/healthit/>

NGA State Alliance: <http://www.nga.org>

Report on Public Governance Models:

<http://www.nga.org/Files/pdf/0902EHEALTHHIEREPORT.PDF>

Appendices: <http://www.nga.org//Files/pdf/0902EHEALTHHIEREPORTAPP.PDF>

AHRQ National Resource Center for HIT: <http://www.healthit.ahrq.gov>

HRSA HIT: <http://www.hrsa.gov/healthit/>

State Level HIE Initiative: <http://www.slhie.org>