NATIONAL ACADEMY
for STATE HEALTH POLICY

Determining Appropriate Oversight and Operating Governance Models for HIE in Oregon

Health Information Technology Oversight Council Meeting
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Agenda

- The Vision for HIE
- The HIE Industry Overview
- State Government's Role in the HIE Industry
- Attributes of and Issues for a Sustainable Electronic HIE Industry
- Public/Private Governance Models for Electronic HIE
- Example Governance Models
  - Maine
  - New York
  - Delaware
- Discussion

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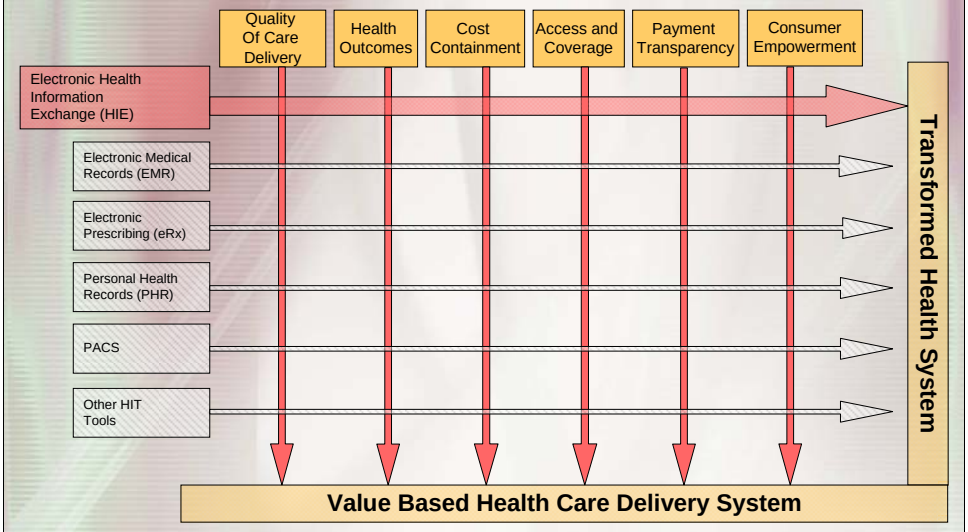
HIT and HIE: Tools to Improve and Transform Healthcare



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The HIE "Industry" Is Under Development

- Many HIE Initiatives Identified: 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)
- As of 2009, there are no sustainable models for the ongoing finance of HIE that could be applied to all HIE organizations

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If you've seen one, you have seen one…

No one size fits all

HIE Core Services Are Yet to be Defined

Electronic HIE Services	ME HIN	DHIN	IHIE	INHS	Health-Bridge	MedAllies/HVHIE	VITL
Clinical Messaging		✓	✓	✓	✓	✓	✓
Medication History	✓	Planned	✓				Pilot
Quality Metrics/ Disease Mgt.	Planned		✓		Planned	X	Pilot
Administrative Data Sharing	✓ (planned)	✓ (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			Planned	✓		
Public Health Surveillance	✓		✓		✓	✓	
Public Health Reporting	✓		✓		✓	Planned	
Claims Processing			✓		Planned		

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NOTE: Meaningful use will only represent a subset of services!

Technology and HIT Adoption Impact HIE

- Without the clinical information systems in place, data cannot be exchanged
- Strategies for supporting wide-spread EMR are now being driven through the Regional Extension Centers and the CMS Incentives
  - These efforts need to be supported in parallel to electronic HIE efforts
- Interoperability is a critical issue:
  - Federal efforts such as CCHIT and HITSP have made progress
  - State governments efforts such as HISPC help address legal issues
  - Yet EMR interoperability remains a challenge

> "Instead of having a health information dial tone, we may be funding a generation of EHRs that will be information 'islands' unto themselves." – *David Brailer, Health Affairs 2009*

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What are the Attributes of Sustainable HIE

Technology and Adoption:

1. Widespread adoption of standards-based Electronic Health Records and other clinical health information technology systems;
2. An architecture that is interoperable with systems in other states and nationally;
3. The exchange of real-time or near real-time information between providers, laboratories, pharmacies, insurers, and state;

Business Models:

1. Sustainable business models that allow the infrastructure to grow and adapt to new technologies, policies, and processes;

Governance and Oversight:

1. A governance body for electronic HIE that convenes, coordinates, and aligns the interests of all public and private stakeholders; and
2. A management structure that efficiently and effectively manages and operates the hardware, software and/or services to conduct electronic HIE.
3. Accountability structures to ensure that consumer privacy is protected while being shared through the electronic HIE and has appropriate security mechanisms to prevent breach, theft, and misuse;

Why Governance?

- Key to successful and sustainable HIE operations is buy-in and willingness of those sharing the data to use the system
  - Both public AND private
  - Structures need to be in place that demonstrate collaboration
- Significant ARRA $ are coming into the State
  - HITOC must be accountable for ARRA HIE Funds
  - The Regional Extension Center (OCHIN/OHSU) must collaborate and coordinate with the HITOC to be successful
- ONC "Requires" a public / private governance model

Oversight: Management by overseeing the performance and operations of the HIE industry in general and specific stakeholders and participants of the industry.

Why Does OR Government Have an Interest in Sustainable HIE?

- State Governments have significant interests in HIE as a stakeholder (payer, purchaser, provider), as a regulator, and with regard to promoting public health
- Sustainable business models for broad electronic HIE are lacking
- Experts often posit HIE as a "Public Good"
- Many ARRA provisions are focused on states and states and state designated entities, yet the funding is not forever…

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Sustainable business models for broad electronic HIE are lacking due to market failures, free rider concerns, and lack of incentives for key players

Many feel that the social benefits of sustainable HIE – such as improving the efficiency, effectiveness, safety, and overall quality of care – should be available to all citizens and that these benefits will not accrue without state government involvement

Accountability is Critical

- What is the HITOC accountable for?
  1. Privacy and Security of Consumer Health Data
  2. Interoperability Public and Private Systems
  3. Fiscal Integrity and Sustainability
  4. Universal Access to HIE for All Providers and Consumers
- Mechanisms of Accountability for HIE Include
  - Political Process: Government accountability to the public
  - Legislation: Defines authorities and responsibilities (rigid and slow to change)
  - Executive Orders: Executive branch action
  - Regulation: Protecting the public interest; enforcement of minimum standards
  - Contracts: Negotiated; specific details of scope, timeline, and responsibilities
  - State transparency, finance, and ethics laws
  - Accreditation/Certification (Voluntary/Sanctioned): Self imposed; independent review; self regulatory process improvement; expensive
  - Private Rights of Action: Consumer initiated recourse
  - Free Market: Market incentives; data incentives; threat of regulation

To Successfully Collaborate with the Private Sector State Governments Need to Address Internal HIT/HIE Needs

State Alliance for eHealth Public Programs Implementation Taskforce Recommendation:

Governors and State Legislatures should designate an electronic HIE coordinating body, with centralized authority over governmental agencies, to align both internal governmental agency electronic HIE activities and their intersection with external public private electronic HIE activities.

THE HITOC IS SERVING IN THIS ROLE TODAY!

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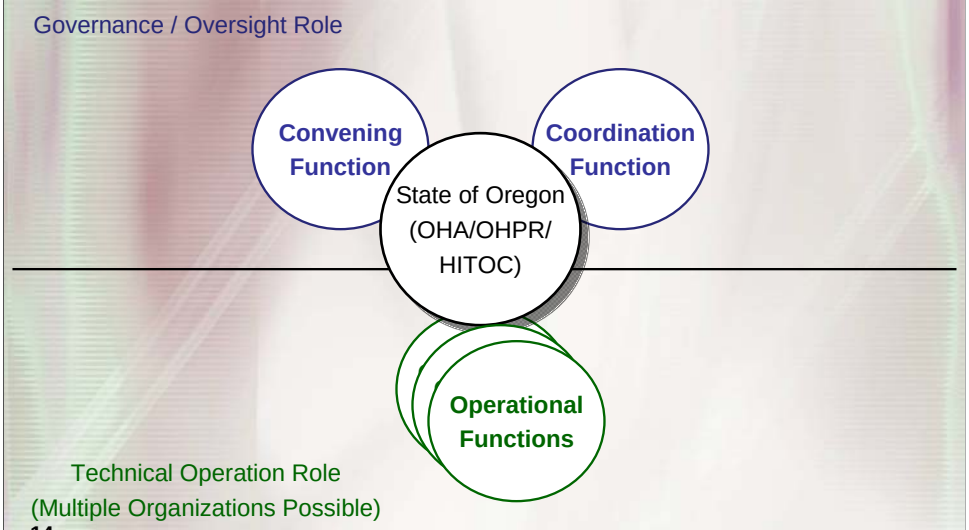
HIE Implementation and Sustainable Operations Requires State Leadership

- Short Term
  - Oversee and direct the use of ARRA funds and plan and implement HIE
  - Provide high-level coordination among planning and implementation groups
  - Establish a framework for HIE operations and financial sustainability
  - Establish privacy and security policies to guide how the exchange receives, transmits and stores data
- Long Term
  - Overseeing operation of the state exchange
  - Ensuring all public programs are participating and regulatory requirements are met
    - Existing and evolving public health data needs are met
    - Providing public sector workers with needed training and guidance
    - Promoting quality improvements and programmatic efficiencies

Oregon's Govt. Roles Vary Depending on the Marketplace and Stage of HIE

- The State Government WILL have many different roles in the oversight of electronic HIE efforts
  - Collaboration is essential to success
    - Building on deployed mature assets fosters trust
  - Structures need to be developed to incorporate the flexibility required to be responsive to industry needs including:
    - Technology
    - Business
    - Policy
  - Broad based health reform efforts will intersect with HIE and considerations should be made as legal structures are adopted

Governance = Two Roles
Three Functions



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HIE Roles, Functions & Business Models

OHA / OHPR	Governance		Technical Operations
Function	**Convening**	**Coordination**	**Operating**
Tasks	• Establish trusted platform for education, negotiation and decision-making • Advocate on behalf of local, regional and state stakeholders to advance statewide HIE • Inform policy development to advance statewide HIE •Harmonize state and federal law • Facilitate consumer input • Track, assess & distribute information on HIE efforts	• Establish and maintain HIE Strategic and Operational Plan and technical roadmap • Facilitate alignment with local, interstate, regional, & national strategies • Promote consistent application of effective statewide HIE policies & practices • Facilitate collaborative development of public policy options & ongoing health care reform efforts	• Own or manage contracts for hardware, software, & technical capacity to facilitate statewide HIE: – Infrastructural components (e.g., Master Patient Index, Record Locator Service, Interfaces, Data Repositories etc.), – Applications (e.g., Meaningful Use Reporting, Business and Clinical Decision Support, Clinical Systems, etc.), – Services (e.g., implementation guides / supports, standards, workflow optimization, coordination with REC)

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State Alliance for eHealth Public Sector HIE Governance Project

- Goals
  - 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.
- 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 processes in public utility industries
    - Regulation and self-regulation in network and payment industries
  - Developed and vetted public/private governance models of HIE with the State Alliance and other policy makers and experts

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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

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Considerations for Govt. Led Electronic HIE

Potential Advantages

- May be able to use existing state infrastructure, resources, and privacy policies to implement HIE
- May assuage perception of multiple private sector organizations managing health record data and alleviate competitive challenges (including liability issues)
- Public financing options

Potential Disadvantages

- Political influence: May be addressed through the legal structure (e.g. board representation for stakeholders, staggered terms, etc.)
- Slow political processes may impact:
  - Flexibility for changing health care policies / health reform
  - Flexibility for changing roles of the government
  - Ability to adapt to new HIE business models and promote innovation
- State control may inhibit some private stakeholder investments

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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
    - Universal access will be an important regulatory responsibility
  - Provide ongoing monitoring of the industry to assure appropriate charges for designated services and transparency
- Roles of the government and private stakeholders must be clearly articulated
  - Technical operations vs. governance
- The Rhode Island Department of Health and the New York Department of Health are formalizing regulatory structures for HIE in their states

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Rate setting

Regulatory fee structures to assure return on investment and sustainability

Incentives/requirements to drive industry growth and access

Policy development

Require minimum standards for data storage and exchange for the HIE industry

Impose specific requirements such as standards, accreditation, certification

Monitoring: Provide ongoing monitoring of the industry

Prepare intervention strategies as necessary to address market failures)

Considerations for Electronic HIE Public Utility with Government Oversight

Potential Advantages

- Private sector is the primary implementer and provider of HIE services, thereby allowing a greater focus on innovation
- Allows for private capital to finance exchange
- Rate setting and other regulatory processes can be used to establish performance rewards

Potential Disadvantages

- Private sector will and capital to create a sustainable HIE infrastructure will impact success
- If a private HIO were to fail, the state would be required to oversee operations

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 (including accreditation and certification), and the threat of regulation
- Separate private corporation/organization with state government holding board of directors seat
  - May be statutorily sanctioned or "deemed" by a public agency to drive participation by stakeholder groups and serve as the "State Designated Entity"
- Multiple state governments are currently participating with private sector electronic HIE efforts

Consideration for Private Sector Led Electronic HIE with Government Participation

Potential Advantages

- Builds upon established relationships and stakeholder investments in states where established multi-stakeholder HIE organizations are active and successful
- Allows for both public and private sector inputs and accountability functions
- Promotes innovation in both private and public sectors

Potential Disadvantages

- Success will require private and public/private sector HIEs to police themselves (evidence of strong self-regulation in other industries is not consistent)
- State funding will impact its ability to participate in the governance of any private sector HIE organizations
  - RI and MA government officials had to remove themselves from boards of HIOs due to funding conflicts
- Should the HIE fail after receiving public investments the govt's role is unclear
- Sustainable business models for HIE are currently lacking

If services allow for industry development competitive behavior of multiple HIOs may impact the quality and reliability of services.

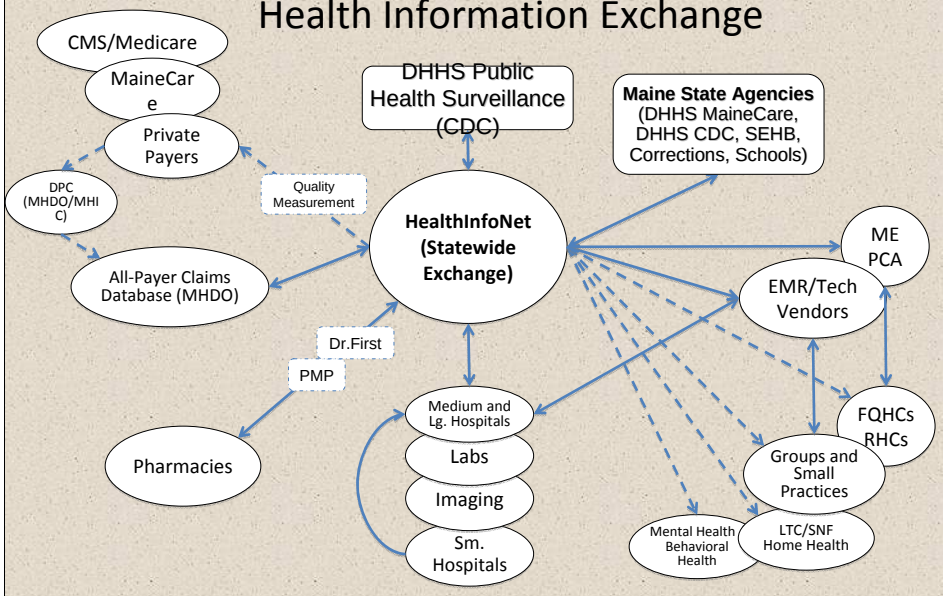
Example 1: Maine HIT and HIE Governance Model

Discussion Document Only

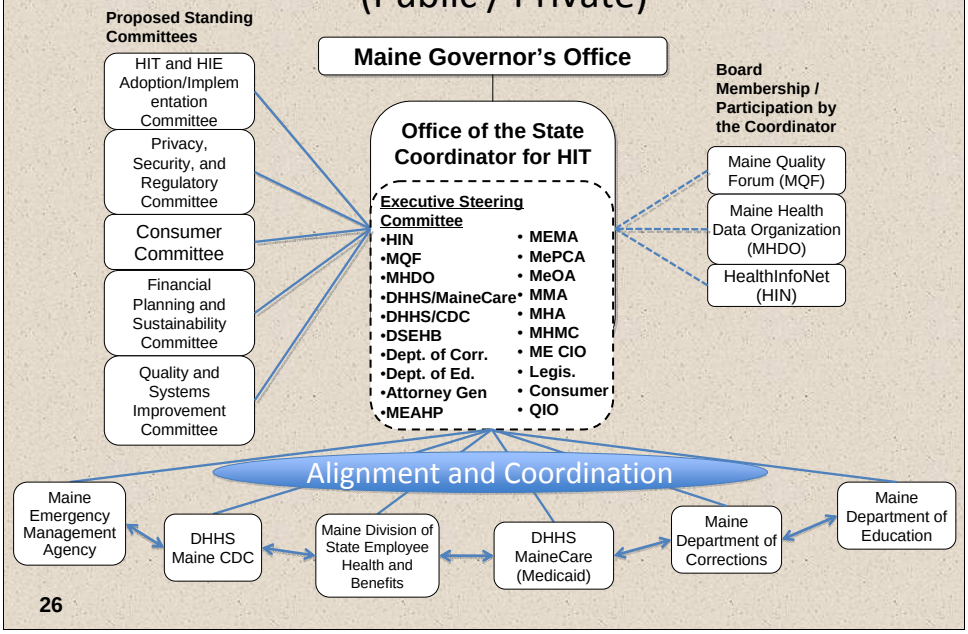
Contents

- Technical and Operational Model of HIE in Maine
- Proposed Public Oversight Model for HIE and HIT
- Proposed Governance of HIT and HIE Policy, Implementation, and Operations

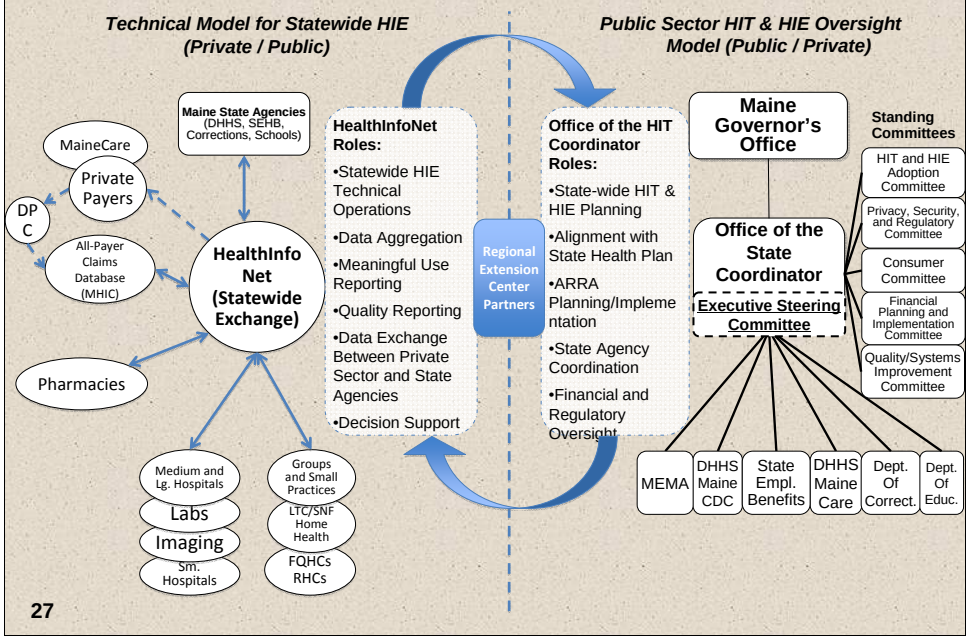
Technical and Operating Model for Statewide Health Information Exchange



Public Sector HIT & HIE Oversight Model (Public / Private)



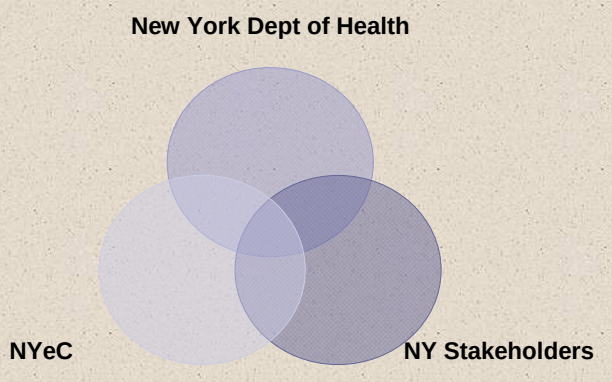
Maine HIT Governance Structure



Example 2: New York HIT and HIE Governance Model

Discussion Document Only

Governance of HIT and HIE through Public-Private Partnership



GOVERNANCE MODEL IS "THE SECRET SAUCE"
THAT MAKES NEW YORK STATE APPROACH SUCCESSFUL

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Stated Building Blocks
NY Health IT Strategy

- Promote collaboration at state and regional levels
- Support development of RHIOs
- Link to national strategy and standards (focus on interoperability)
- Use infrastructure to expand reach, lift all boats
- Privacy and security are essential to public trust
- Support strategic uses of health IT – high-yield benefits from reducing inappropriate utilization and increasing use of preventive services
- Sustainability hinges on payer involvement

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New York eHealth Collaborative (NYeC) Goals

- NYeC will galvanize health care systems improvement by promoting broad use of health information technology through a comprehensive and coordinated state policy agenda that:
  - *Stimulates coordinated and collaborative efforts* among health care stakeholders to identify and overcome barriers to widespread HIT adoption and use to *enhance evidence-based practice by clinicians, as well as consumer engagement in health maintenance and management*
  - Advances health care *performance measurement, public reporting and improvement* supported by HIT
  - *Improves public health* through effective prevention and management of chronic disease, as well as stronger public health surveillance and emergency response capabilities
  - *Ensures accountability* by measuring and evaluating HIT impact on health care systems, payers, providers, and consumers

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NY Health IT Strategy
Tools to Implement

- Coordinated policy leadership at state level through State DOH
- NY eHealth Collaborative established to drive collaborative implementation efforts
- HEAL-NY grants for state and regional initiatives promoting HIT and HIE
- NY HISPC forging stakeholder consensus on policies and procedures to protect privacy and security, and ensure consumer access and engagement
- HITEC statewide academic consortia partnering with stakeholders and RHIOs to standardize evaluation measures and methodologies

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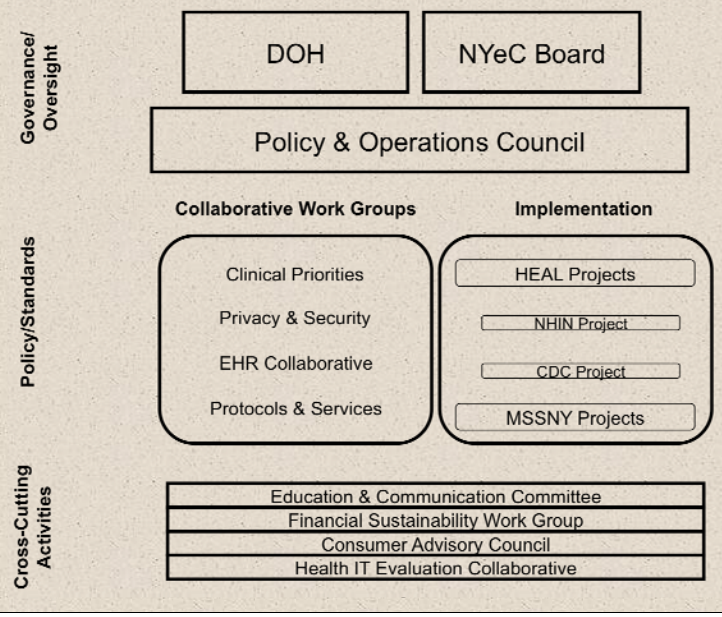
The Collaborative Framework for HIT and HIE



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Example 3: Delaware Health Information Network Governance Model

Discussion Document Only

DHIN Vision

Develop a network to exchange real-time clinical information among all health care providers (office practices, hospitals, labs, and diagnostic facilities) across the state to improve patient outcomes and patient-provider relationships, while reducing service duplication and the rate of increase in health care spending

DHIN Governance

- Created statutorily in 1997 as a public instrumentality (Public Authority) of the State of Delaware
  - To advance the creation of a Statewide health information and electronic data interchange network for public and private use
  - To be a public-private partnership for the benefit of all citizens of Delaware
  - To address Delaware's needs for timely, reliable, and relevant health care information
- Managed by a Board of Directors

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Board Composition

- At least 13 and not more than 21 members
- Representative of the public-private and diverse nature of DHIN
- The Board Chairperson elected by a majority of members
- Board Appointments:
  - Delaware Health Care Commission (6 members at-large)
  - Delaware health insurers (3 members)
  - Delaware Healthcare Association (3 members)
  - Medical Society of Delaware (3 members)
  - Delaware State Chamber of Commerce (1 member)
  - State Budget Director (1 member)
  - Insurance Commissioner (1 member)
  - Secretary of Health and Social Services (1 member)
  - Director of Public Health (1 member)
  - Department of Technology and Information (1 member)

Private Sector Board Members

- Consumer
- Aetna
- Blue Cross Blue Shield of Delaware
- Hospitals
- Physicians
- Delaware State Chamber of Commerce
- Bank of America

DHIN Management Structure

Data Senders
Achieving Critical Mass

Over 90% of Labs and Hospitalizations

Conclusions

- Oregon State Govt. will have a significant role in HIE no matter what model chosen
- Hybrid Models Need to be Considered
  - The model Oregon chooses must be based on health care, HIE assets, demographic, and stakeholder interests
- Oregon needs to give consideration to consumer perspectives on the management and control of PHI and the MRB
- Any model needs to incorporate the strategy for statewide HIT adoption as a function of a comprehensive strategy
- Successful governance may require some trial and error to explore the implications of any given model

Discussion

- What Goals Are We Trying to Accomplish Through HIE in OREGON?
- Significant work has been done in OR to date: How do we build off of Successfully Deployed Assets?
  - There are at least 5 deployed or advanced planning HIEs (Umpqua, Providence, Mid-Rogue, Samaritan Health, Portland)
  - The Medicaid Medical Record Bank Project is beginning
  - A Enterprise Structure for State Government Agencies has been developed

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Questions/Comments?

Thank You!

For More Information:

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National Academy for State Health Policy: www.nashp.org
UMass Medical School Center for Health Policy and Research
http://www.umassmed.edu/chpr/HIT.aspx

Useful Links:

Office of the National Coordinator for HIT: http://www.hhs.gov/healthit/
State Level Health Information Exchange Project: http://www.slhie.org
NGA State Alliance: http://www.nga.org
AHRQ National Resource Center for HIT: http://www.healthit.ahrq.gov
HRSA HIT: http://www.hrsa.gov/healthit/

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