California

Health Information Exchange Program

Status Report

July 2011 through December 2011

Submitted
April 2012

California Health Information Exchange Program
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I. Executive Summary

The California Health and Human Services Agency (CHHS) administers a four year $38.8 million federal Health and Human Services (HHS) Cooperative Agreement grant (Cooperative Agreement), funded under the Health Information Technology for Economic and Clinical Health Act (the HITECH Act), to facilitate the development of and infrastructure to support statewide health information exchange (HIE).

As required by Health and Safety Code Section 130254, known as the CA Health Information Technology (HIT) Act, CHHS is submitting this status report of the HIE program in California.

This status report covers the period of the award from July 2011 through December 2011, which falls within the timeframe of the third grant agreement between CHHS and the designated nonprofit governance entity, Cal eConnect.

This period brought changes in the Cal eConnect leadership as well as an adjustment of the deliverables associated with the grant agreement activities.

- Cal eConnect's CEO and President, Carladenise Edwards, resigned in August, 2011. Laura Landry was appointed interim CEO.
- The Request for Proposal (RFP) for Provider Directory and Exchange Services was withdrawn prior to award because there was not a clear business case for the services and lessons learned based on the changing HIE environment both in California and nationally indicated the RFP as it was written was not in alignment with other efforts.
- Cal eConnect continued to fund and support the expansion and direct connection of California health information exchanges through five Expansion Grantees.
- Cal eConnect convened the annual statewide HIE Summit in November with over 300 stakeholders from across the state attending.

CHHS continues to work closely with Cal eConnect to foster strong communication linkages with California's HIE stakeholders and the Office of the National Coordinator (ONC), the federal grant oversight agency.

II. Summary of Key Milestones and CHHS Deliverables

From July through December 2011, the following major activities were accomplished by Cal eConnect :

- Stakeholder Summit *(Governance)*: More than 300 stakeholders from throughout the State attended the California HIE Stakeholder Summit, a one-day event held November 8, 2011 at the Sacramento Convention Center. The 2011 Summit was designed for all California stakeholders interested in improving healthcare through the electronic exchange of critical patient information. Primary objectives were to help stakeholders understand how they and their organizations fit into the big picture of health information exchange (HIE) in California; enable stakeholders to learn about assets and services available in California that are key to planning for clinical and administrative integration; and provide a way for stakeholders to have a voice in shaping the future of HIE in the State.

- Provider Directory *(Technical Infrastructure)*: Prior to July 1, 2011, Cal eConnect released an RFP for a set of Provider Directory and Exchange Services. This procurement was withdrawn in September 2011 because there was not a clear business case for the services and lessons learned based on the changing HIE environment both in California and nationally indicated the RFP as it was written was not in alignment with other efforts. The national consensus on Provider Directories had changed significantly since the development of the RFP, as represented in the efforts of the ONC's Standards and Interoperability Framework Provider Directory Initiative.[1]

  Based in the ONC initiative, Cal eConnect continued to explore options for a Provider Directory in Q4 2011, and began playing an active leadership role in establishing best practices for federated Provider Directories through the Western States Consortium, a group of states developing provider identity management solutions supported by the ONC. California and Oregon were selected to conduct a pilot as part of this project focused on inter-state data exchange in 2012.

- Direct Messaging Project *(Technical Infrastructure)*: Cal eConnect raised matching funds from the California HealthCare Foundation to administer a pilot of an ONC-endorsed data transport protocol called Direct enabling provider-provider communication. The pilot was conducted by Redwood MedNet (RWMN), and investigated two uses of Direct from May to December 2011: immunization reporting and transitions of care. The investigation identified minimum conditions that must be met at the user, facility and community level to enable a successful Direct implementation.

[1] Background on S&I Framework Provider Directory Initiative: http://wiki.siframework.org/Provider+Directories

- HIE Expansion Grant Program *(Technical and Programmatic Operations)* : $1,499,604 was disbursed to five grantees during this reporting period. These five regional initiatives are bringing together physicians, hospitals, and other providers in the regions to securely exchange data to improve care coordination. The grantees are:
    - Eastern Kern County Integrated Technology Association (Fresno, Kern, Stanislaus),
    - Los Angeles Network for Enhanced Services (Los Angeles),
    - North Coast Health Information Network (Humboldt, Del Norte),
    - Orange County Partnership Regional Health Information Organization (Orange County), and
    - Redwood MedNet (Sonoma, Mendocino, Yuba, Humboldt, Marin).

- ePrescribing Gap Analysis *(Technical and Programmatic Operations)*: The ePrescribing gap analysis report published in November 2011 identifies current ePrescribing activity, challenges, and gaps in California, and serves as a foundation for the ongoing development and maintenance of a robust ePrescribing data set for the state. Findings helped inform the development of strategies to increase the adoption and meaningful use of ePrescribing in California, including specific areas for intervention that Cal eConnect and its stakeholders prioritized for 2012 and 2013. Cal eConnect established an ePrescribing Advisory Group in August 2011 to assist in these efforts.

- Immunization Reporting *(Technical and Programmatic Operations)*: Cal eConnect developed a strategy for health information exchange organizations (HIOs) to serve as aggregators and routers of provider immunization reports to regional immunization registries. Two HIOs participating in a pilot to test this strategy are Cal eConnect HIE Expansion Grantees. The strategy will support transmittal of immunization reports to regional immunization registries in the formats providers must use to be compliant with the CMS EHR Meaningful Use Incentive Program.

The following Table provides a high-level view of Grant Agreement 3 progress.

Table: Status of Governance Entity Deliverables to CHHS
(Status changes from October 2011 Report)
Grant Agreement 3

	Due	Status	Comments
1.0 Governance			
Annual Stakeholder conference	Q2[2] 2011	Complete	Completed 11/8/2011
Annual update to Strategic and Operational plan submitted to CHHS for ONC	Feb 8, 2011	Pending ONC Guidance	ONC guidance expected Q1 2012
2.0 Finance			
OMB quarterly 1512 report data submitted to CalOHII	Jan 5 April 5 July 5 October 5	Complete	Completed through October 5 reporting period.
Strategic business plan submitted to CalOHII	Q2 2011	Complete	Deliverable completed 4/30/11, but project ongoing
Revenue Models for CeC service(s) outlined and presented to Board	Q2 2011	Cancelled	Move to future Grant Agreement due to altered strategy (see description in Section II, bullet 2).
Sustainability plan approved by Board	Q3 2011	Pending ONC Guidance	ONC guidance expected Q1 2012
3.0 Technical Infrastructure			
Vendor for CeC core services selected and approved	Q1 2011	Cancelled	Procurement cancelled due to altered strategy(see description in Section II, bullet 2).
CeC core services in production	Q2 2011	Cancelled	Procurement cancelled due to altered strategy (see description in Section II, bullet 2).
Technical requirements document for CeC additional service(s): lab services, immunization services and eRx services	Q2 2011	Pending	Revised Strategy for deliverable under review with CHHS
4.0 Technical and Programmatic Operations			
Devise strategy for submission to CalOHII for collaborating with Public Health, Medicaid, and other ARRA funded projects to enable HIE	Q2 2011	Pending	Revised Strategy for deliverable under review with CHHS
5.0 Legal and Policy			
Develop or adapt privacy, security and other policies for CeC core services	Q1 2011	Canceled	Procurement cancelled due to altered strategy (see description in Section II, bullet 2).
Data use/participation agreement for CeC core services completed	Q2 2011	Canceled	Procurement cancelled due to altered strategy (see description in Section II, bullet 2).
Pilot privacy, security and other policies through grant program and/or other AB278 demonstration projects	Q2 2011	Pending	Strategy for deliverable under review with CHHS.
Initiate evaluation of Cal eConnect services	Q2 2011	Complete	6/30/2011

[2] References quarters based on the calendar year.

Additional activities that are managed by CHHS' Office of Health Information Integrity (CalOHII) include:

- Program Evaluation: CalOHII continued work with the University of California at San Francisco to perform the statewide evaluation of California HIE efforts and progress as required by the Cooperative Agreement. The evaluation effort will measure California's progress towards the goals and deliverables it has established for the federal grant agreement. The evaluation effort will also help identify critical statewide policy issues for the administration and legislature.

- Program Management: CalOHII monitored activities performed by Cal eConnect that were funded under the Cooperative Agreement and reported progress quarterly to ONC. CalOHII contracted with DHCS to perform a more detailed fiscal review consistent with federal grant requirements. The review identified specific areas requiring practice changes for which technical assistance from ONC was requested and received. A corrective action plan was developed to address necessary changes.

- Demonstration Projects *(Legal and Policy)*: CalOHII continued the privacy and security demonstration projects authorized by AB 278 with finalized regulations following two periods of public comments and public hearings. The final regulations enable completion of signed Memoranda of Understanding between the two approved demonstration projects and CalOHII:

    - Beacon Communities Project, San Diego
    - Western Health Information Network, Los Angeles and Long Beach

III. Health Information Technology and Exchange (HITE) Fund

Pursuant to Health and Safety Code 130255, the Health Information Technology and Exchange (HITE) Fund was, in part, established to allow for the appropriate disbursement of the $38.8 million in federal Health and Human Services (HHS) Cooperative Agreement grant (Cooperative Agreement) funds.

The program has the following in-kind, non-federal matching fund requirements:

Federal Fiscal Year (FFY)	State Match Requirement
Oct 1 2009 – Sep 30, 2010	0
Oct 1 2010 – Sep 30, 2011	10%
Oct 1 2011 – Sep 30, 2012	14%
Oct 1 2012 – Sep 30, 2013	33%

Based on the State's application, budget and projected annual expenditures, the minimum required match is $4.05 million over four years. While the match ***rate*** is predetermined, the actual ***amount*** is dependent on the timing of expenditures and would increase if project milestones and timelines are not met and expenses are delayed to subsequent federal fiscal years when State match rates are higher. CHHS plans to provide the match through in-kind contributions totaling $4.38 million for fiscal years 2010/11 through 2012/13.

Expenditure Information

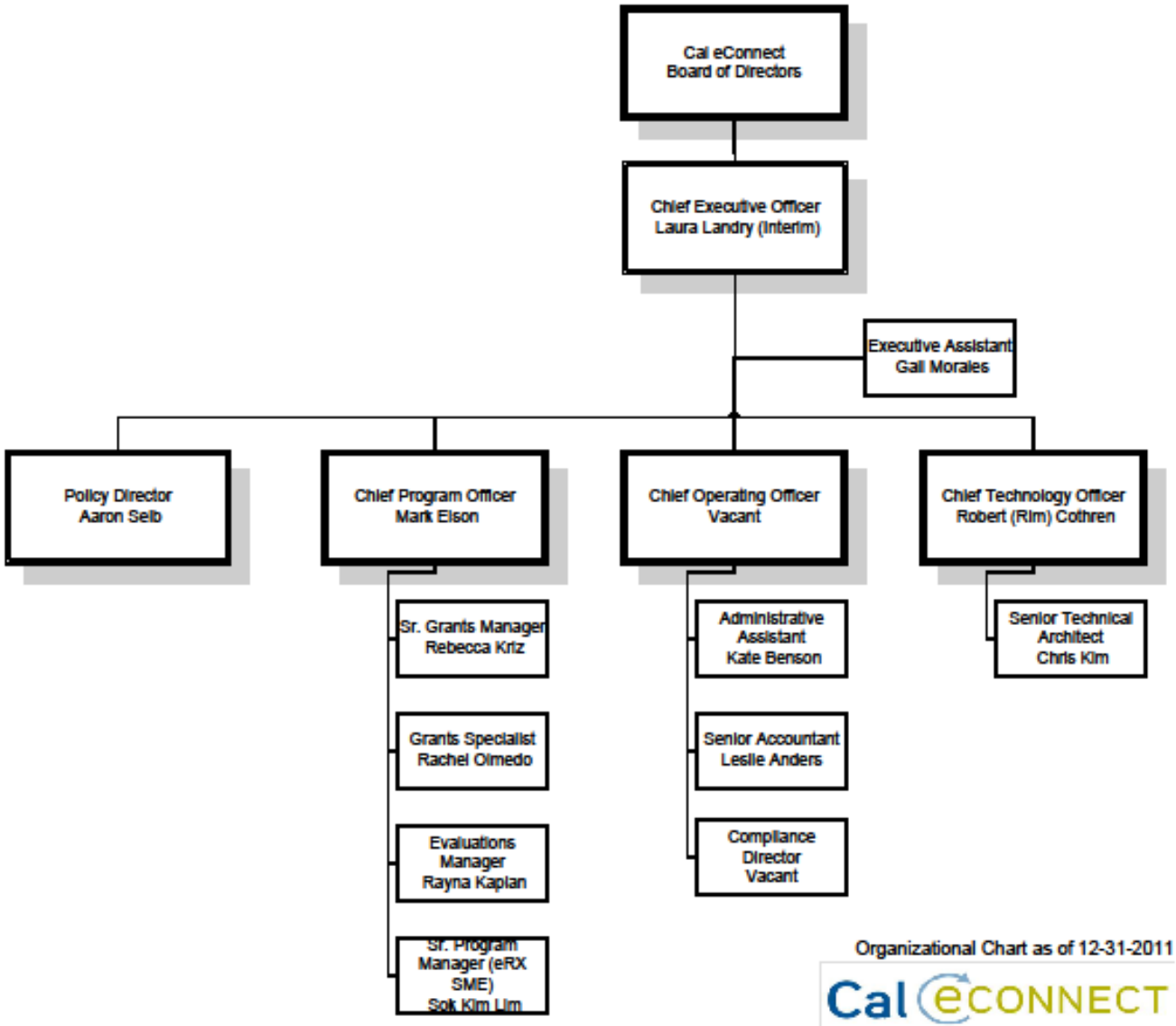
The following table displays the expenditures from the HITE Fund for the governance entity (GE) Cal eConnect and the California Health and Human Services Agency (CHHS) for the June through December 2011 report period.

Expenditure Categories	Cal eConnect	CHHS
Personal Services	$ 1,678,313	$ 87,613[3]
Contracts	$ 858,444[4]	$ 250,469[5]
Operational Expenses	$ 418,922	$ 6,569
Total:	$ 2,955,679	$ 344,651

[3] $87,613 was spent on staff salary and benefits (Staff Services Manager II and Staff Counsel III). Salary expenditures will be higher in the next update report due recent hiring of ARRA-funded staff.
[4] Cal eConnect's contract expenditures were $646,888 in Expansion Grant payments, with the remaining $211,556 in program operations.
[5] CHHS' contract expenditures were $11,013 for student interns, $76,372 for program management activities, $99,240 for privacy and security demonstration projects, $20,334 for HIE program evaluation, and $43,510 for strategic planning.

Appendix 1: Cal eConnect Organization

December 31, 2011



Appendix 2: Cal eConnect Board Positions

December 30, 2011

Position	Seated	Organization
Secretary of Health and Human Services	Linette Scott, MD, MPH	California Health and Human Services Agency
California Senate Committee on Health Chair	Timothy Valderrama	California State Senate
California Assembly Committee on Health Chair	Teri Boughton, MHA	California State Assembly
California State Administrator	Toby Douglas, MPH, MPP	Department of Health Care Services
Chief Executive Officer of the Corporation	*Vacant*	Cal eConnect
Co-Chair - at large	David Lansky, PhD	Pacific Business Group on Health
Co-Chair - at large	Donald Crane	California Association of Physician Groups
Consumer of Health Care Services	Ignatius Bau	Health Policy Consultant
Consumer of Health Care Services	Mark Savage, JD	Consumers Union
Employer	Ann Boynton	CalPERS
Health Information Exchange Organization	Bill Beighe	Santa Cruz Health Information Exchange
Health Information Exchange Organization	*Vacant*	*Vacant*
Health Plan – Private	David Joyner, MBA	Blue Shield of California
Health Plan - Public	Howard Kahn	L.A. Care Health Plan
Hospital - Private	Ronald Kaufman, MD, MBA	Tenet California
Hospital - Public	Ron Jimenez, MD, FAAP	Santa Clara Valley Health and Hospital System
Labor	David Regan	SEIU
Physician - Independent	Brennan Cassidy, MD	CMA
Physician - Medical Group	Keith Wilson, MD	Talbert Medical Group
Public Health Agency	*Vacant*	*Vacant*
Health Informatics	Peter Yellowlees, MD	University of California, Davis
Safety Net Clinic	Fred Hornbeck	Venice Family Clinic