



Department of Health & Human Services
Office of the National Coordinator for
Health Information Technology

State HIE Cooperative Agreement Program Webinar

September 2, 2009
12:00 p.m., EDT

Office of the National Coordinator



Call Agenda

- **Key State Plan Domains and Guidance**
- **Strategic and Operational Plan Components**
- **Funding Formula Description**
- **Letter of Intent and Funding Formula Clarification**
- **Frequently Asked Questions**
- **Health IT Resources - Helpful Links**
- **Q&A/Discussion**



Key State Plan Domains and Related Program Guidance Governance

Domains (Pages 10-11)	Expectations for Key Accomplishments in the 1st Two Years (Pages 12-13)	Initial Core Set of Performance and Reporting Requirements Planning and/or Implementation (Pages 30-31)
<p>Functions:</p> <ul style="list-style-type: none"> • Convening health care stakeholders to create trust and consensus on an approach for statewide HIE • Provide oversight and accountability of HIE to protect the public interest. <p>Governance entity:</p> <ul style="list-style-type: none"> • Develops and maintains a multi-stakeholder process to ensure HIE among providers is in compliance with applicable policies and laws. • Government may have many different roles in the oversight of the electronic HIE. Roles that will likely change overtime. • Therefore any structures need be amenable to change and should be responsive to industry needs. <ul style="list-style-type: none"> –Technology –Business –Policy 	<ul style="list-style-type: none"> • Establish a governance structure that achieves broad-based stakeholder collaboration with transparency, buy-in and trust • Set goals, objectives and performance measure for HIE reflecting consensus among stakeholder groups, accomplish statewide coverage of all providers for HIE meaningful use criteria (to be established) • Ensure coordination, integration, alignment of efforts with Medicaid and public health programs via efforts with HIT Coordinators • Establish mechanisms to provide oversight and accountability of HIE to protect the public interest. • Account for the flexibility needed to align with emerging nationwide HIE governance (as specified). 	<ul style="list-style-type: none"> • What proportion of governing organization is represented by public stakeholders? • What proportion is represented by private stakeholders? • Does governing organization represent government, public health, hospitals, employers, providers, payers and consumers? • Does the state Medicaid agency have a designated governance role in the organization? • Has the governing organization adopted a strategic plan for statewide HIT? • Has the governing organization approved and started implementation of an operational plan for statewide HIT? • Are governing organization meetings posted and open to the public? • Do regional HIE initiatives have a designated governance role in the organization?



Example Governance Models

Government Led Model

Public sector directly provides governance and infrastructure for HIE and is directly accountable for the privacy, security, fiscal integrity, interoperability of the system, and for universal access to it. Examples include a Public Authority or Government Controlled Corporation (GCC).

Public Utility with Strong Government Oversight Model

Public sector regulates private sector provision of HIE. The government participates in activities such as rate setting, policy development, and ongoing monitoring of the industry.

Private Sector Led Model with Government Collaboration

Public sector participates in private HIE governance, exerting limited 'control' through financial and market based mechanisms. Government acts in an advisory role and participates in the regulation of privacy and security.

Details about each model can be found in the report *Public Governance Models for a Sustainable Health Information Exchange Industry*, available through the National Association of Governors at: www.nga.org/center/ehealth.



Key State Plan Domains and Related Program Guidance Finance

Domains (Pages 10-11)	Expectations for Key Accomplishments in the 1st Two Years (Pages 12-13)	Initial Core Set of Performance and Reporting Requirements Planning and/or Implementation (Pages 30-31)
<p>Functions:</p> <ul style="list-style-type: none"> • Identification and management of financial resources to fund health information exchange. <p>Includes:</p> <ul style="list-style-type: none"> • Public and private financing for building HIE capacity and sustainability • Pricing strategies, market research, public and private financing strategies, financial reporting. 	<ul style="list-style-type: none"> • Develop capacity to effectively manage funding necessary to implement state Strategic Plan <ul style="list-style-type: none"> – Establishing financial policies and implementing procedures to monitor spending and provide appropriate financial controls. • Develop a path to sustainability including a business plan with feasible public/private financing mechanisms for ongoing information exchange <ul style="list-style-type: none"> – Including among health care providers and with those offering services for patient engagement and information access. 	<ul style="list-style-type: none"> • Has the organization developed and implemented financial policies and procedures consistent with state and federal requirements? • Does organization receive revenue from public and private organizations? • What proportion of the sources of funding to advance statewide HIE are obtained from federal assistance, state assistance, other charitable contributions, and revenue from HIE services? • Of other charitable contributions listed above, what proportion of funding comes from health care providers, employers, health plans, and others (please specify) • Has the organization developed a business plan that includes a financial sustainability plan? • Does the governance organization review the budget with the oversight board on a quarterly basis? • Does the recipient comply with the Single Audit requirements of OMB? • Is there a secure revenue stream to support sustainable business operations throughout and beyond the performance period?



Key State Plan Domains and Related Program Guidance Technical Infrastructure

Domains (Pages 10-11)	Expectations for Key Accomplishments in the 1st Two Years (Pages 12-13)	Initial Core Set of Performance and Reporting Requirements Planning and/or Implementation (Pages 30-31)
<p>Functions:</p> <ul style="list-style-type: none"> •Physically enabling the technical services for HIE in a secure and appropriate manner <p>Includes:</p> <ul style="list-style-type: none"> •Architecture, •hardware, •software applications, •network configurations and •other technological aspects 	<ul style="list-style-type: none"> •Develop or facilitate the creation of a statewide technical infrastructure that supports statewide HIE. States may prioritize among these HIE services according to its needs, HIE services to be developed include: <ul style="list-style-type: none"> –Electronic eligibility and claims transactions –Electronic prescribing and refill requests –Electronic clinical laboratory ordering and results delivery –Electronic public health reporting (i.e. immunizations, notifiable laboratory results) –Quality reporting –Prescription fill status an/or medication fill history –Clinical summary exchange for care coordination and patient engagement. •Leverage existing regional/state level efforts and resources that can advance HIE such as master patient indexes, health information organizations (HIOs) and the Medicaid Management Information System (MMIS). 	<ul style="list-style-type: none"> •Is the statewide technical architecture for HIE developed and ready for implementation according to HIE model(s) chosen by the governance organization? •Does statewide technical infrastructure integrate state-specific Medicaid management information systems? •Does statewide technical infrastructure integrate regional HIE? •What proportion of healthcare providers in the state are able to send electronic health information using components of the statewide HIE Technical infrastructure? •What proportion of healthcare providers in the state are able to receive electronic health information using components of the statewide HIE Technical infrastructure?



Key State Plan Domains and Related Program Guidance Technical Infrastructure (Con't)

Domains (Pages 10-11)	Expectations for Key Accomplishments in the 1st Two Years (Pages 12-13)	Initial Core Set of Performance and Reporting Requirements Planning and/or Implementation (Pages 30-31)
	<ul style="list-style-type: none">•Develop or facilitate the creation and use of shared directories and technical services, as applicable for the state's approach for statewide HIE. Directories may include but are not limited to:<ul style="list-style-type: none">–Providers (e.g. w/practice location(s), specialties, health plan participation, disciplinary actions, etc)–Laboratory Service Providers, Radiology Service Providers, Health Plans (e.g. with contact and claim submission information , required laboratory or diagnostic imaging service providers, etc).•Shared services may include but are not limited to:<ul style="list-style-type: none">–Patient matching, provider authentication, consent management, secure routing, advance directives, and messaging.	



Key State Plan Domains and Related Program Guidance Business and Technical Operations

Domains (Pages 10-11)	Expectations for Key Accomplishments in the 1st Two Years (Pages 12-13)	Initial Core Set of Performance and Reporting Requirements Planning and/or Implementation (Pages 30-31)
<p>Includes (not limited to):</p> <ul style="list-style-type: none"> • Procurement • Identifying requirements • Process design • Functionality development • Project management • Help desk • Systems maintenance • Change control • Program evaluation • Reporting <p>Operational Responsibilities:</p> <ul style="list-style-type: none"> • Some may fall to the entity or entities implementing the technical services needed for HIE • May be different models for distributing operational responsibilities 	<ul style="list-style-type: none"> • Provide technical assistance as needed to HIOs and others developing HIE capacity within the state. • Coordinate and align efforts to meet Medicaid and public health requirements for HIE and evolving meaningful use criteria. • Monitor and plan for remediation of the actual performance of HIE throughout the state. • Document how the HIE efforts within the state are enabling meaningful use. 	<ul style="list-style-type: none"> • Is technical assistance available to those developing HIE services? • Is the statewide governance organization monitoring and planning for remediation of HIE as necessary throughout the state? • What percent of health care providers have access to broadband? • What statewide shared services or other statewide technical resources are developed and implemented to address business and technical operations?



Key State Plan Domains and Related Program Guidance Legal and Policy

Domains (Pages 10-11)	Expectations for Key Accomplishments in the 1st Two Years (Pages 12-13)	Initial Core Set of Performance and Reporting Requirements Planning and/or Implementation (Pages 30-31)
<p>Purpose:</p> <ul style="list-style-type: none"> • Create a common set of rules to enable inter-organizational and eventually interstate HIE while protecting consumer interests <p>Mechanisms and Structures:</p> <ul style="list-style-type: none"> • Address legal and policy barriers and enablers related to electronic use and exchange of health information <p>Includes (not limited to):</p> <ul style="list-style-type: none"> • Policy frameworks • privacy and security requirements for system development and use • Data sharing agreements • Laws and regulations • Multi-state policy harmonization activities. 	<ul style="list-style-type: none"> • Identify and harmonize the federal and state legal and policy requirements that enable appropriate health information exchange services to be developed in the first two years. • Establish a statewide policy framework that allows incremental development of HIE policies over time, enables appropriate, inter-organizational health information exchange, and meets other important state policy requirements such as those related to public health and vulnerable populations. • Implement enforcement mechanisms that ensure those implementing and maintaining health information exchange services have appropriate safeguards in place and adhere to legal and policy requirements that protect health information, thus engendering trust among HIE participants. • Minimize obstacles in data sharing agreements, for example, by developing accommodations to share risk and liability of HIE operations fairly among all trading partners. • Ensure policies and legal agreements needed to guide technical services prioritized by the state or SDE are implemented and evaluated as a part of annual program evaluation. 	<ul style="list-style-type: none"> • Has the governance organization developed and implemented privacy policies and procedures consistent with state and federal requirements? • How many trust agreements have been signed? • Do privacy policies, procedures and trust agreements incorporate provisions allowing for public health data use?



Strategic Plan Components

The strategic planning process includes the development of the initial Strategic Plan and ongoing updates across all domains.

General Topic Guidance

- Environmental Scan
- HIE Development and Adoption
- HIT Adoption
- Medicaid Coordination
- Coordination of Medicare and Federally Funded, State Based Programs
- Participation with Federal Care Delivery Organizations
- Technology Deployment

Domain Requirements

- Governance - Collaborative Governance Model, State Government HIT Coordinator, Accountability and Transparency
- Finance – Sustainability
- Technical Infrastructure – Interoperability, Technical Architecture and Approach
- Business and Technical Operations – Implementation
- Legal/Policy – Privacy and Security, State Laws, Policies and Procedures, Trust Agreements, Oversight of Information Exchange and Enforcement



Operational Plan Components

The Operational Plan shall include details on how the Strategic Plan will be carried forward and executed to enable statewide HIE. It must also include a project schedule describing the tasks and sub-tasks that need to be completed in order to enable the statewide HIE. The implementation description shall identify issues, risks, and interdependencies within the overall project.

General Topic Guidance

- Coordinate with ARRA Programs
- Coordinate with Other States

Domain Requirements

- Governance – Governance and Policy Structures
- Finance – Cost Estimates and Staffing Plans; Controls and Reporting
- Technical Infrastructure – Standards and Certification; Technical Architecture; Technology Deployment
- Business and Technical Operations – Current HIE Capacities; State-level Shared Services; Standard Operating Procedures for HIE
- Legal/Policy – Establish Requirements; Privacy and Security Harmonization; Federal Requirements

**A self-assessment checklist has been developed by the AHIMA Foundation and can be found at www.slhie.org.



Funding Formula Description

- **Base Allocation** – For all states, D.C, and Puerto Rico = \$4 million
 - Other Territories will share a base amount allocated by their population.
- **Equity Adjustment** – Applies to states, D.C., and Puerto Rico.
 - Additional funds will be added to this base amount to account for differences in existing health care delivery environment. These additional funds will be determined by formula using the following equity factors – number of primary care physicians, number of short-term (acute) care hospitals, state population, and indicators of rural and underserved areas.
 - Following are the sources of information to be used for these equity adjustments along with the associated weights for each:
 - PCP Populations –(40% of total allocation).
 - Short-Term (Acute) Care Hospital –(30% of total allocation).
 - Medically Underserved and Rural Providers –(25% of total allocation).
 - State Population – (5% of the total allocation).
- **Needs Based Adjustment** – Applies to states, D.C., and Puerto Rico
 - ONC will allocate 10% of the total funds available using information provided by the applicant regarding their historic investment in HIE as required in the Letter of Intent. Each applicant will be ranked on a scale of 1-3 based on historic investment, with a lower level of investment indicating a higher need for HIE grant funding.



Letter of Intent and Funding Formula Clarifications

- The Letter of Intent is due September 11, 2009, by 5pm.
- Requested expenditure data is defined as all expenses related to planning and implementation of enabling health information exchange.
- Applicants should apply a “reasonableness test” to these expenditures (eg. MMIS costs would not be considered as part of these expenditures)
- Requested expenditure data in the Letter of Intent is historic spending (not requested funding) for the last five (5) state fiscal years.
- The requested expenditure data should cover all sources – federal, state, local and other.
- Letter of Intent are limited to 5 pages including expenditure data.
- Budget allocation figures will be provided to applicants prior to the application due date. There is no need to calculate these figures on your own.



Frequently Asked Questions

Category	Questions	Answers
Application Submission Information	<ol style="list-style-type: none">1. When is the due date for the Letter of Intent?2. What is our state's equity adjustments?3. For the needs-based adjustments, what is considered "historic investment in HIE"?4. Does the state have to submit the Letter of Intent or can individual applicants and/or consortium submit on behalf of the state?5. Can a state divide responsibilities between state and SDE functions and divide the funding accordingly?6. What specific types of support will ONC provide to applicants during the time between submission of the Letter of Intent and the full application submission?7. How can a state that has not finished planning estimate a full four-year project budget?8. When will the state allocations be announced?9. Does the word "drawdown" mean that ONC makes funding available at the beginning of a task or activity, or when it has been completed?	<ol style="list-style-type: none">1. September 11, 2009, by 5:00pm.2. Budget allocation figures will be provided to applicants prior to the application due date.3. Expenditures for the past five (5) state fiscal years from all sources related to planning and implementation of HIE.4. A state OR state designated entity (SDE) may apply. The SDE must be a non-profit organization and designated by the Governor.5. States are encouraged to work with SDEs and may divide responsibilities between the state and SDE. However, only one cooperative agreement will be awarded.6. ONC will provide applicants with information such as budget allocations, frequently asked questions, Webinars, conference calls and other relevant program guidance as appropriate.7. Applicants should try their best to estimate their budget for the four year project period. Applicants are encouraged to allocate as much funding in the first two years as is practicable. Future adjustments (post award) to proposed budgets are anticipated.8. ONC anticipates announcing the budget allocations figures by the end of September 2009.9. Drawdown is the process by which recipients request that funds be transferred from the Federal government to them. The point at which recipients will be allowed to draw down will be negotiated as part of the Cooperative Agreement.



Frequently Asked Questions (Cont'd)

Category	Questions	Answers
Eligibility	<ol style="list-style-type: none">1. What process can a state use to change its Letter of Intent designee? What type of notice does it require to ONC?2. Can the HIE match can be in-kind?3. Does the requirement to have the “total amount of expenditures” included in the Letter of Intent refer to our planned expenditures or the expenditures that have been incurred to date in the categories listed?4. How will the equity adjustments be calculated?5. Is there a list of State Designated Entities?	<ol style="list-style-type: none">1. The Letter of Intent is not binding. The SDE is designated in a letter from the Governor as part of the application. If a change is required prior to submitting the application, please contact Chris Muir at Christopher.muir@hhs.gov.2. Yes.3. Expenditures incurred in past five years.4. Additional funds will be added to the base amount to account for differences in an applicant’s existing health care delivery environment. These additional funds will be determined by formula using the following equity factors – number of primary care physicians, number of short-term (acute) care hospitals, state population, and indicators of rural and underserved areas. See description in previous slide.5. Not at this time.



Frequently Asked Questions (Cont'd)

Category	Questions	Answers
Funding Opportunity Description	<ol style="list-style-type: none"> 1. Can funds be used to cover the cost of interface development between our EMR system and the healthcare systems we serve? 2. Where some planning has been completed in particular domains, can states draw down funds to begin implementation of those domains (assuming approval by ONC)? 3. If a state has an existing strategic plan inconsistent with ONC's planning criteria, it is understood they will have three months to address the deficiencies. If the same state has no operational plan, does the state have six to eight months to complete it? 4. Can the state matching requirement be waived? If not, is an in-kind state match acceptable? 	<ol style="list-style-type: none"> 1. This program is designed to provide resources to states to expand capacity for statewide health information exchange. Therefore, states or state designated entities will have the responsibility to determine how the funds will be used to develop and expand that capacity. 2. Recipients can only access implementation funding with an approved Strategic and Operational Plan. Activities prior to this milestone must be planning activities. Questions about what constitutes planning will be managed on a case-by-case basis and determined by ONC. 3. No. States with Strategic Plans and no Operational Plan should plan to complete and submit their Operational plans for approval no later than 3 months after award of a cooperative agreement through this program. If this presents a problem for the recipient, they should contact ONC to discuss. 4. There is no required matching requirement for FY2010 and the match may not be waived in subsequent fiscal years. In-kind match is allowable.
Award Administration	<ul style="list-style-type: none"> • How does a state transition its cooperative agreement to an SDE once work has started? 	<ul style="list-style-type: none"> • Once an award is made to a state, the state remains the recipient. However, the state may enter into a contractual agreement (or similar type of arrangement, such as a sub-grant or interagency agreement) with the newly formed SDE to transfer needed funds for activities that the SDE will assume.
General	<ul style="list-style-type: none"> • How can we receive modifications to the FOA that were released prior to us signing up on Grants.gov to receive these updates? 	<ul style="list-style-type: none"> • No modifications have been made to the Funding Opportunity Announcement. The most current version can be found at http://healthit.hhs.gov/portal/server.pt?open=512&objID=1336&parentname=CommunityPage&parentid=3&mode=2&in_hi_userid=10741&cached=true



Health IT Resources* - Helpful Links

Organizations and Projects

- Office of the National Coordinator for Health Information Technology. [Http://healthit.hhs.gov](http://healthit.hhs.gov)
- State Alliance for e-Health, National Governors Association Center for Best Practices. www.nga.org/center/ehealth
- State-Level Health Information Exchange (SLHIE) Consensus Project, American Health Information Management Association. www.slhie.org
- Health Information Security and Privacy Collaboration, RTI International. http://healthit.hhs.gov/portal/server.pt?open=512&objID=1240&parentname=CommunityPage&parentid=8&mode=2&in_hi_userid=10882&cached=true
- National Resource Center for Health Information Technology, Agency for Healthcare Research and Quality. <http://healthit.ahrq.gov>
- Nationwide Health Information Network, ONC. http://healthit.hhs.gov/portal/server.pt?open=512&objID=1194&parentname=CommunityPage&parentid=36&mode=2&in_hi_userid=10741&cached=true
- Medicaid Information Technology Architecture, Centers for Medicare and Medicaid Services. <http://www.cms.hhs.gov/MedicaidInfoTechArch/>

Reports

- “Accelerating Progress: Using Health Information Technology and Electronic Health Information Exchange To Improve Care.” National Governors Association Center for Best Practices, September 2008. Available at: <http://www.nga.org/Files/pdf/0809EHEALTHREPORT.PDF>
- “Defining Key Health Information Technology Terms.” National Alliance for Health Information Technology, April 2008. Available at: http://www.nahit.org/images/pdfs/HITTermsFinalReport_051508.pdf
- “Public Governance Models for a Sustainable Health Information Exchange Industry.” University of Massachusetts Medical School Center for Health Policy and Research, National Governors Association Center for Best Practices, February 2009. Available at: <http://www.nga.org/Files/pdf/0902EHEALTHHIEREPORT.PDF>

***“Preparing to Implement HITECH – A State Guide for Electronic Health Information Exchange.” The State Alliance for E-Health**