



**PHIX**

**Pennsylvania Health Information  
Exchange**

**Update**

Stimulus Oversight Commission

January 14, 2010

## Potential Funding Under HITECH

- \$17.1 million for creation of Pennsylvania Health Information Exchange (PHIX)
- ~ \$1.5 billion in incentives to hospitals and providers to adopt electronic health records (EHR) and demonstrate meaningful use through Medicare and Medicaid
  - NPRM issued for “Meaningful Use” and EHR incentive payments December 30, 2009

### ■ State Health Information Exchange Cooperative Agreement Program

- ❑ Requires a Strategic Plan and an Operational Plan be submitted to Office of National Coordinator (ONC) for approval
- ❑ Milestones for payment will be negotiated based on plan

## HIE Cooperative Agreement Framework

- **Governance:** What is the structure of the State's governance entity responsible for developing and maintaining a multi-stakeholder process to ensure the exchange of information through the HIE is in compliance with applicable policies and laws?
- **Finance:** What are the pricing strategies, public and private financing strategies, financial reporting, business planning, audits, and controls for the HIE?
- **Technical Infrastructure:** What are the technological aspects that will physically enable the technical services for the HIE in a secure and appropriate manner, including architecture, hardware, software, applications, network configurations?
- **Business and Technical:** What are the business and technical activities, including procurement, identifying requirements, process design, functionality development, project management, help desk, systems maintenance, change control, program evaluation, and reporting?
- **Legal and Policy:** What are the State's legal/policy activities associated with creating a common set of rules to enable health information exchange while protecting consumer interests?

- GOHCR convened a PHIX Core Group to provide guidance in the development of the PHIX Strategic Plan in alignment with ONC's HIE Cooperative Agreement Program
  - GOHCR brought forth data, input and strategies gathered since 2008 through various forums, PAeHI and the PHIX Advisory Council
  - Representatives from the providers, academic programs, regional health information organizations, patient advocacy, and payer groups participated in strategic planning workshops

## Key Areas for Public Comment

There are 4 areas seeking public input:

- Governance
- Funding
- Privacy
- Technical Infrastructure

43 responses were received

- 1 - Regional HIE
- 1 - Physician Hospital Organization
- 15 - Professional Organizations
- 13 - Vendors
- 3 - Insurers
- 9 - Individuals
- 1 - State Agency

# PHIX Governance

Alternatives	Pros and Cons
<p><b>Existing State Agency</b></p>	<ul style="list-style-type: none"> <li>(+) Legislation NOT required</li> <li>(-) Unclear as to appropriate agency home</li> <li>(-) Challenge to establish broad based stakeholder support</li> <li>(-) Perception of state intrusion into personal health information.</li> </ul>
<p><b>Create non-governmental non-profit organization (501(c)(3))</b></p>	<ul style="list-style-type: none"> <li>(?) Legislation required</li> <li>(+) Would include primary stakeholders within organization</li> <li>(-) Accountability to Commonwealth and Public</li> </ul>
<p><b>Create Public Authority (e.g. PA Patient Safety Authority)</b></p>	<ul style="list-style-type: none"> <li>(+) Based on existing successful model</li> <li>(+) Includes accountability mechanisms within legislation</li> <li>(-) Legislation required</li> <li>(-) Challenge to reach agreement with stakeholders on Authority members</li> </ul>

## PHIX Governance Recommendation

- The recommendation for PHIX governance is to create a public authority
- 13 comments were received. All were in support of this recommendation

# PHIX Financial Model

Alternatives	Pros and Cons
<ul style="list-style-type: none"> <li>■ <b>Assessment fees on medical claims paid by insurers.</b> In addition, there will need to be some funding to cover participation of Medicaid, Department of Health and other state-funded programs</li> </ul>	<ul style="list-style-type: none"> <li>(+) Long Term Sustainability</li> <li>(+) Fairness of the Funding Model</li> <li>(+) Assessments are a demonstrated approach based on VT experience</li> <li>(-) Budgetary and political challenges</li> <li>(-) Legislation needed</li> </ul>
<ul style="list-style-type: none"> <li>■ <b>Transaction fees or subscriptions, based on use or entity size.</b></li> <li>■ <b>Value-added services</b></li> <li>■ <b>Gain-sharing</b></li> </ul>	<ul style="list-style-type: none"> <li>(+) Long term sustainability</li> <li>(+) Legislation unnecessary</li> <li>(-) Challenge for initial HIE adoption across providers</li> <li>(-) May limit HIE utilization by providers</li> <li>(-) Administrative complexity</li> <li>(-) Burden challenge to stakeholders</li> </ul>

## PHIX Financial Model Recommendation

- Recommendation is an assessment on all medical claims paid by insurers that will be dedicated to PHIX implementation and ongoing operations.
  
- 12 comments received
  - 1 general comment neither supported nor were against the recommendation
  - 6 comments supported this recommendation
  - 5 comments not supporting the recommendation asked for alternatives including:
    - Use of General Funds
    - Transaction fees paid by providers and hospitals
    - Sales tax increase, tax on IT software and hardware, tax on broadband
  - Questions on what is an “insurer”
  - One comment asked to consider gain sharing

Potential Actions	Pros and Cons
<p>■ <b>Opt-Out</b></p> <p><b>Except for super-protected information (HIV/AIDS status, mental health and substance abuse, etc.),</b> consent is implied for access to electronic health information for all authorized providers. There must be affirmative action to refuse to participate in HIE.</p>	<p>(+) The way things are today                      (+) Maximum participation in HIE                      (+) More improvement in quality of care                      (+) More efficiency in care</p>
<p>■ <b>Opt-In</b></p> <p>Health information is <b>not</b> shared unless explicit authorization is provided. Presumption is that information is <b>not</b> shared.</p>	<p>(+) Provides basis for patient authorization on a participant level                      (-) Fewer participants in HIE                      (-) Less improvement in quality and efficiency                      (-) Would require significant public awareness and uptake campaign to increase participation</p>

- Recommendation is to continue current method of dealing with health information.
- 10 comments were received on Privacy
  - 6 comments supported the recommendation
  - 1 comment did not support the recommendation
  - 3 were general comments neither in support nor against the recommendation

## PHIX Technical Infrastructure

- PHIX is envisioned as the connecting network for health information exchange across Pennsylvania, for connectivity with other states and the NHIN platform.
- PHIX will be built on a secure, internet-based architecture that enables health care data transfer using recognized federal and state health information technology standards.
- The technical design will permit connection to regional HIEs, integrated health systems and individual hospitals to leverage existing investments in their HIE efforts.

## PHIX Technical Infrastructure Recommendation

- Recommendation is that Pennsylvania enters into an interstate agreement with Delaware to piggyback on DHIN's existing, proven technical platform
  
- 22 comments received
  - 2 comments supported the recommendation
  - 8 comments neither supported or were against the recommendation
  - 12 comments did not support the recommendation
    - 10 – vendors
    - 1 - organization representing vendors
    - 1 - individual

## Next steps

- Present findings to Health Care Reform Cabinet for their approval/recommendations
- Finalize Strategic Plan and submit to ONC for approval
- Create Operational Plan and submit to ONC for approval

# Contact Information

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