FORE
Foundation of Research and Education of AHIMA

January 12, 2007

Michael O. Leavitt
Chair
The American Health Information Community
US Department of Health and Human Services
Hubert H. Humphrey Building, Room 615-F
200 Independence Avenue, Southwest
Washington, DC 20201

Dear Secretary Leavitt:

Attached is the contract extension report, "Development of Consensus Best Practices for State-Level Regional Health Information Organizations." In this phase, under the guidance of the project Steering Committee, we examined three aspects of the operation of state-level Regional Health Information Organizations (RHIOs):

- Coordination between state and federal health IT and related initiatives,
- Health information exchange (HIE) services that have achieved financial sustainability, and
- The role of public payers and state-level HIE.

Following the September 12, 2006 AHIC discussion on state-level HIE, the Steering Committee also examined the relationship of State-level HIE and quality/transparency initiatives. Specific recommendations on each of these four topics are detailed in the attached report.

This letter outlines several important cross-cutting recommendations to ensure effective partnerships between state and federal efforts in the years ahead to transform health care through your "four cornerstones" of a value-driven health care system.

1. The federal government should consolidate oversight of health IT and quality/transparency initiatives under the American Health Information Community (AHIC).

Health information exchange initiatives all have a mission of improving quality through sound information practices; quality/transparency initiatives require accurate information. These two cornerstones of a value-based health care system must be coordinated at federal, state and local levels and across the public and private sectors.

This is not the case today. Today there is a cacophony of quality measures, "silos" of data, and proprietary "black box" analytics that add cost and complexity. This is a very critical moment in time to achieve a coordinated strategy that will use information to improve care and help people make informed choices.

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Coordination does not mean a singular approach. AHIC should:

1.1 Create incentives for innovative and cost effective coordination between state-level HIE and quality and transparency initiatives at the state and local levels in areas of governance, data capture and aggregation, and use of information and across states. The quality community and the HIE community must work together to make decisions about data capture, exchange, and aggregation of data for quality.

1.2 Fund research on models for clinical data capture and aggregation to reduce data silos while guarding confidentiality and security of primary and secondary data. While states must determine their preferred models for data capture and aggregation, research is needed to standardize valid data sets and reduce data acquisition costs.

1.3 Appoint representatives of HIEs to existing national work groups on quality measurement to design integrative strategies.

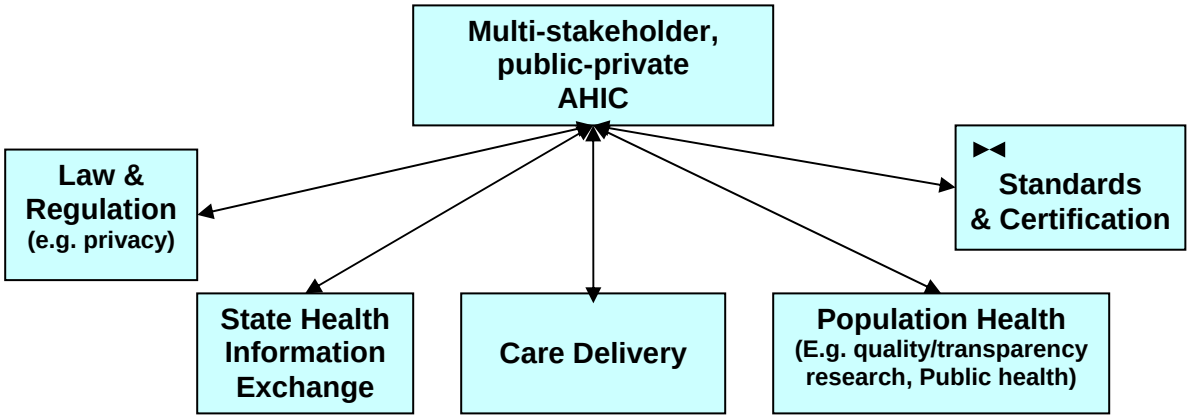
1.4 Continue to study sustainable business models for HIEs that supply aggregate data for quality measurement and reporting. Our research shows that this is likely a critical long-term business funding strategy for HIE entities and unless a critical mass of useful data is achieved and participants are on board, the HIE business model may not be viable.

2. The Secretary should design the successor to AHIC and transition it to a public-private organization by 2008.

AHIC has been an effective vehicle for spotlighting needs and opportunities and tasking work. It has served as a single point of focus for federal efforts, shaping policy and securing agreement to move a common agenda for health care transformation through information. Because multi-stakeholder coordination will be required for years to come and to ensure there is no leadership gap at this critical time, plans for an AHIC successor must be prepared in 2007 and in place before the end of this Administration.

The project Steering Committee strongly recommends that the AHIC successor be a public- private sector multi-stakeholder entity. It will function as the approval and coordinating body, and maintain the vision and directional strategies. Its charge must be non-duplicative and it must have authority to take action consistent with its mission. There must be a clear relationship to the Office of the National Coordinator and other federal agencies.

As shown in the diagram, standing committees of experts and consumers will advise AHIC on direction, policies, and best practices. To illustrate, the Steering Committee suggests standing committees such as: *legal and regulatory* to advise on critical matters such as privacy; *care delivery* to track improvements and best practices in safety and quality; *state health information exchange* to advance best practices and the impact of state-led efforts; *population health* to oversee practices in secondary uses of data for quality improvement, clinical research, and public health; and *standards and certification* to coordinate and accelerate progress.



Models for private sector governance of critical public interest agendas exist in other industries. Examples include the Financial Accounting Standards Board (FASB) independent of the government and all other business and professional organizations; Canada's Health Infoway, an independent not-for-profit organization charged with advancing Canada's health information transformation; and SEMATECH with its 20 year history of industry-government cooperation to strengthen the U.S. semiconductor industry.

The Secretary should:

2.1 Charge a design group with recommending a structure and operational plan for the successor AHIC including:

- Mission
- Type of legal entity
- Source of authority and participation by federal agencies
- Business plan and funding
- Composition and selection for the AHIC Board
- Committee or council structure, charges and composition
- Transition of work groups
- Stakeholder input and transparency
- Formal links to state-level governance entities
- Methods for assessing effectiveness

This design work should be vetted and refined in 2007 so implementation can be accomplished in 2008.

2.2 Reintroduce an updated version of the 2004 *Framework for Strategic Action*. This unifying strategic Health IT vision and plan should be refreshed to account for the role of state and local public-private HIE initiatives, the American Health Information Community (AHIC) and its planned successor, and new strategies to advance the Nationwide Health Information Network (NHIN). The Framework continues to be a very useful way to bolt together strategies for change, but its dynamic vision has blurred with the scope and pace of change.

3. Each state should establish or designate a consolidated, public-private health transformation governance mechanism that includes at least health information exchange and quality/transparency; a formal liaison to AHIC should be established through a new workgroup of states.

States are critical to the health transformation agenda and they are stepping up. Over 30 states have Executive Orders or legislative action on health IT. Our research revealed multiple quality improvement and reporting programs with minimal or no formal coordination with one another or with state-level HIEs. If the problems facing healthcare were not so urgent, it may be desirable to let this marketplace of ideas play out. However, as noted above, the HIE and quality/transparency goals are inextricably linked and just as coordinated oversight is needed on a nationwide level, designated oversight is needed in each state.

A public-private governance mechanism is needed to bring together governmental, healthcare, employer, and consumer stakeholders to set direction and align actions. There are some strong models emerging in a number of states, but there is also fragmentation and duplication of effort that should be harnessed now by encouraging alignment instead of competition. A state-level entity should have authority at minimum to:

- Develop consensus on the statewide roadmap for HIE, quality and other initiatives to advance value-based health care
- Foster collaboration of local HIE and quality efforts to reduce duplication, share best practices, and help align efforts throughout the state.
- Set or advise on statewide policy and remove policy barriers
- Align and leverage state government health programs, including Medicaid, public health and other programs and departments
- Encourage adoption of national standards
- Serve as a bridge to AHIC and to other states
- Ensure benefits for underserved populations
- Make available technical assistance resources
- Ensure stringent safeguards for confidentiality and security of information
- Engage and educate consumers
- Support the requisite informatics/information management/IT workforce

The Secretary should:

3.1 Call on the State-level HIE Steering Committee to function as a work group of AHIC to define and describe the composition, criteria and characteristics for a state-level health transformation governance mechanism that includes at least the health IT and quality initiatives. It should be noted that this work can build on the work presented in the *State Level Health Information Exchange Initiative Development Workbook* which described stakeholders, governance, roles and other requirements for effective public-private collaborative entities. The Steering Committee should be expanded to include other states with promising models. It should also work with the State Alliance for e-Health project to achieve consensus on direction.

3.2 Continue the State-level HIE work group of AHIC until there is a standing committee of the AHIC successor. Charge it with establishing channels for effective bi-directional communication to keep state and regional initiatives better informed about federal programs and projects.

3.3 Support the formation of a state-level learning community to support communication and coordination across states to accelerate the development of effective state level governance and programs.

3.4 Ensure that the state perspective is represented in the work of all AHIC workgroups so issues are also being viewed from the state HIE perspective.

4. The federal government, to the degree possible under statute, should fund transformation efforts through or under the guidance of formally recognized health transformation entities in each state and provide strong leadership through CMS policy.

While grants have been helpful in getting state and local RHIOs established, our research confirms that grants are unlikely to build sustainable organizations. Further, uncoordinated funding to disparate entities within a state is not likely to produce systemic change. Thus, federal funding, as permitted by law, must be available to or through formally recognized state level health transformation governance entities. Funding would serve as an incentive for states to organize effective governance. Coordination between the nationwide and state initiatives and across states will be improved if funding is predictable and recurring,

In addition to direct funding, CMS should demonstrate strong national leadership by defining a clear position on HIE in and across state Medicaid programs and address restrictions to Medicare participation in state level HIE.

As a prerequisite to funding, some form of recognition for qualified state health transformation governance entities group would be needed.

The Secretary should:

4.1 Task the State level HIE work group of AHIC with developing criteria for recognizing a state health transformation entity. These criteria should evolve over time so that formative process targets are replaced by results targets as soon as feasible. It should also define the process for conveying recognition. It should seek input from all interested stakeholders, including Centers for Medicare and Medicaid Services (CMS) as meaningful engagement by state Medicaid programs may be an important criteria.

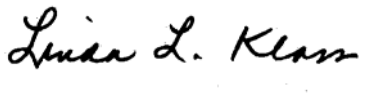
4.2 Call upon the Centers for Medicare and Medicaid Services (CMS) to formulate a clear position in support of HIE in and across state Medicaid programs, while also serving as a clearinghouse for program guidance and innovations regarding the collaboration process.

4.3 Identify funding mechanisms and eligible activities. Again, attention should be paid to the role that CMS can play in demonstrating strong national leadership and financial support for health transformation by states.

4.4 Continue to document successful HIE, quality/transparency and other transformative best practices so there is reliable public domain information to support the advancement of criteria, the recognition process, and the work of recognized entities.

There is urgency to all of these recommendations because states are full participants in health transformation. It has been a privilege to contribute to advancing health care through information in the State Level HIE Best Practices project. We look forward to discussing the enclosed report and these cross-cutting recommendations for improved coordination with you and the AHIC.

Sincerely,



Linda L. Kloss
Chief Executive Officer

cc: Dr. David Brailer, Vice Chair, AHIC
Dr. Robert Kolodner, Interim National Coordinator for Health Information Technology, Office of the National Coordinator
Kelly Cronin, Director, Office of Programs and Coordination, Office of the National Coordinator
Project Steering Committee
Principle Investigators and project staff