Agenda and Meeting Minutes

Title / Purpose:	Finance Workgroup 1st meeting		
Meeting Date:	December 16, 2009	**Facilitator:**	John Evans
Place: Dewpoint		**Time:**	3:00 – 5:00
Conf Call #:1-888-394-8197 931255			

Topic 1:	Introduction, goals, rules of engagement
Topic 1a:	Recruit new members
Topic 2:	Review of HIE
Topic 3:	ARRA requirements and matching funds
Topic 4:	Potential sources for funding
Materials and Presenters:	John Evans, David Allen

DISCUSSION	**Topic 1:** Introduction, goals, rules of engagement; recruit new members		
	•		
ACTION ITEMS		PERSON RESPONSIBLE	DEADLINE
1.			
2.			
3.			
4.			
DISCUSSION	**Topic 2: Review of HIE**		
	•		
ACTION ITEMS		PERSON RESPONSIBLE	DEADLINE
DISCUSSION	**Topic 3:** ARRA requirements and matching funds		
	•		
ACTION ITEMS		PERSON RESPONSIBLE	DEADLINE
DISCUSSION	**Topic 4:** Potential sources for funding		

	•

ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE

MiHIN Finance Work Group Charter

December 2009

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MiHIN Vision (Conduit to Care, 2006)

The MiHIN will foster development of HIE that will reduce the overall cost of care while at the same time increasing the quality of care and patient safety.

Finance Work Group Mission

The finance subgroup will initially be charged with proposing a statewide strategy for matching funds. Its activities will also include developing the finance/budget inputs to the Strategic and Operational Plans. This group will also begin performing research and education on other statewide approaches to financial sustainability. The development of a Michigan approach to financial sustainability and associated business plans is to be determined.

Work Group Leadership

- To be determined

Roles and Responsibilities

- Work with project facilitators to lead the successful completion of WG deliverables as defined in the project plan within the specified timeframe
- Assign workgroup members to specific tasks/deliverables
- Assure balance of input from stakeholders to gather broad representation so that no one sector unduly influences the deliverables
- Appoint another representative from a similar stakeholder group (meeting minimum requirements) to fill a vacancy that occurs during the initial term
- Assure input from outside experts and advisors as needed to complete deliverables
- Serve as a full member of the WG

Voting Work Group Members

All interested stakeholders are invited to participate in Finance Work Group Meetings. However, only voting Work Group Members will be asked to develop consensus around key decision, voting if needed. Through a broad, open and transparent nomination and voting process that was begun at the MiHIN Kick-off meeting on November 10, 2009 and concluded November 24, 2009, the initial Finance Voting Work Group members through April 15, 2009:

Health System CEO.
Dennis Smith – Upper Peninsula Health Care Network
Donald Kooy – McLaren Regional Medical Center

Community Hospital CFO.
Timothy M. Jodway – Northern Michigan Regional Health System

Banker/Financier
Stephen Ranzini – University Bank

Insurer/Health Plan.
Janice Torosian - Health Plan of Michigan (Uncontested)

NOTE: The Finance Workgroup may choose to recruit several more representatives:
Large multi-specialty group practice administrator
Small practice administrator
Michigan Employer

Roles and Responsibilities

- Develop strategy for matching funds
- Develop finance components of the Strategic and Operational Plans
- Become informed on different approaches to HIE financial sustainability
- Develop business plan for financial sustainability (pending approval from SOM)

Work Group Meetings Rules of Engagement

It is the intent of the State of Michigan to use an open and transparent process and to facilitate collaborative decision-making among broad stakeholders for key components of the MiHIN project. Toward this end, meetings will be conducted as follows:

Open Meetings

- All meetings conducted by the Work Groups will be open to all interested stakeholders
    - Voting Work Group Members as well as interested stakeholders will review and discuss items to be refined prior to vote.
    - A public comment period will be included at the end of each agenda and will be offered after each vote.
    - When possible, discussion of a decision and the vote on a decision will take place one meeting apart.
    - Agendas and documentation to be reviewed at each meeting will be posted to the MiHIN website and emailed to all workgroup members at least 2 days before each meeting
    - Approved meeting minutes will be posted within 1 week after each meeting.
    - All workgroups will begin meeting face-to-face and will decide on alternative options like web-conference and teleconference for subsequent meetings.

Meeting Approach

- Agenda items fall into three categories:
    - Review only – enable Work Group members to become familiar with information, to ask and/or respond to questions to guide the development of future deliverables

    - Review and refine – provides the opportunity for the Work Group members to review a draft, comment, question, and direct iterations by other Work Groups, as necessary, before approving the final deliverable at a subsequent meeting

    - Review and approve – aims for a decision (consensus or vote) on deliverables that either likely require minimal discussion or have already been reviewed and refined by the Work Group

Decision Making

When a vote is called, the following process will be followed:

- Only Voting Work Group Members are allowed to vote
- A quorum of Voting Work Group Members must be present in order to vote
- A majority vote rules

When possible, items that require a vote will be clearly noted on the agenda.

Attachments

Critical Path

Finance Workgroup Activities

	November	December (#1)	Jan (#2)	Jan (#3)	Feb (#4)	Feb (#5)	Mar (#6)	Mar (#7)	Apr (#8)	Apr (#9)
Deliverable										
Financial Match	Review and select voting WG members, meeting schedule, meeting format, etc.	Review WG mtg/process , schedule, voting, rules of engagement	Develop concept for financial match	Finalize concept and develop initial strategy						
		Review Fin WG resp Review ARRA Discuss value prop for HIE		Develop draft responses to report requirements	Iterate strategy for financial match					
Finance Components of Strat & Oper plans			Review inputs to Strat/Oper plans	Begin developing inputs	Continue to develop inputs Work w/Tech WG on budget	Finalize and review inputs to Strat/Oper Plans Finalize draft content for Strat/Oper Plans	Iterate budget	Finalize Budget Submit Strat Plan	Submit Oper Plan	
Fin Sust education		Begin education on Fin Sustainability		Education on Fin Sust						

Finance Workgroup First Meeting

- **December 16, 2009**

Michigan Department of Community Health
MDCH
Jennifer M. Granholm, Governor
Janet Olszewski, Director

MICHIGAN DEPARTMENT OF
dit
INFORMATION TECHNOLOGY

Today's Objectives

- Establish workgroup role parameters and scope
  - Develop strategy for match
  - Develop finance piece of Strategic and Operational Plan
  - Develop business plan for financial sustainability (pending SOM approval)
- Provide a use case for HIE
- Introduction to workgroup meetings and procedures
  - Create meeting schedules
- Match Requirements for ARRA funding

Agenda

- Introduction
  - Role of team
  - Meeting times
    - Create remaining schedule
  - Rules of engagement
  - Meeting structure
  - Scope of team work
  - Workzone

Agenda cont…

- Background
  - Overview of HIE
  - ARRA Requirements
    - Matching Funds
    - ARRA requirements for Strategic and Operational Planning
    - Dependencies on other workgroups

Agenda cont…

- Sources for Funding
  - Services
  - Medicaid and Medicare Reimbursement
  - Meaningful Use
- Public Comment
- Next Steps
  - Review objectives
  - Requirements for next meeting(s)
  - Assignments
  - Decisions to make next time
- Adjourn

Introduction

- Introduction
  - Team Members
    - Need for more diversity
  - Today's Objectives
  - Need for additional members
  - Future Meetings
- Meetings
  - Structure - State requirements
  - Workzone

Introduction cont…

- Meeting times and frequency
  - Weekly
  - Bi-weekly
  - Face to Face
  - Two combined meetings with other workgroups
    - Jan 27, 2010 1:00 to 5:00
    - Mar 25, 2010 1:00 to 5:00
  - Open meetings via WebEx

Rules of Engagement for Meetings

It is the intent of the State of Michigan to use an open and transparent process and to facilitate collaborative decision-making among broad stakeholders for key components of the MiHIN project.

Rules: Open Meetings

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Rules: Decision Making

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- Only Voting Work Group Members are allowed to vote
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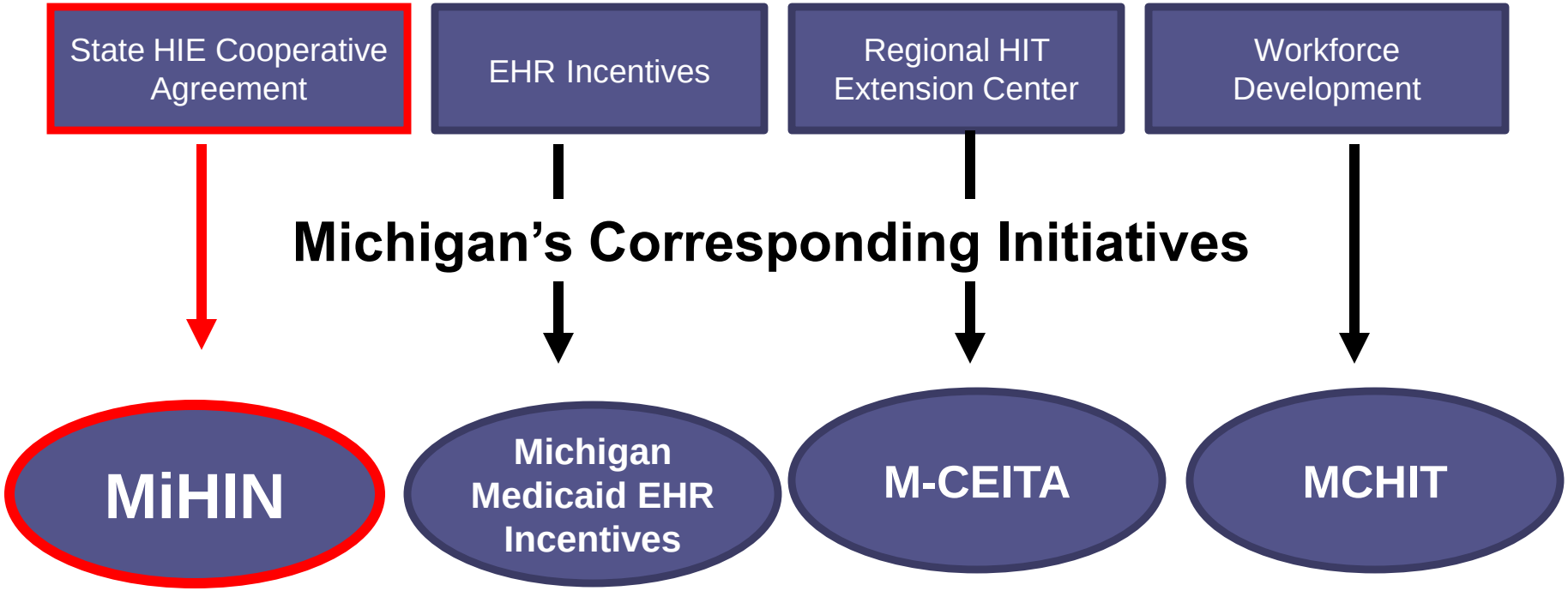
Introduction cont…

- Tasks of group
  - Strategy for matching funds
  - Input to operational and strategic plans
  - Develop business plan for sustainability (to be made by State of Michigan)
  - Deliverable to the Governance workgroup

American Recovery & Reinvestment Act of 2009 HIT Opportunities



State HIE Cooperative Agreement

Total Amount of Funding Available:	$564,000,000
Award Floor	$4,000,000
Award Ceiling	$40,000,000
Approximate Number of Awards:	56
Program Period Length	Four years
Letter of Intent Due:	11-Sep-09
Application Due:	16-Oct-09
Award Announcements:	15-Dec-09
Estimated Start Date:	15-Jan-10

State HIE Cooperative Agreement

- Purpose: continuously improve and expand HIE services to reach all health care providers in an effort to improve the quality and efficiency of health care.
- Cooperative agreement recipients will evolve and advance the necessary governance, policies, technical services, business operations, and financing mechanisms for HIE over a four-year performance period.
- Activities under this program must support interoperability that lets patient data follow the patient across political and geographic boundaries.
- Awardees will become partners in building the nationwide HIE infrastructure.

MiHIN Project Goals

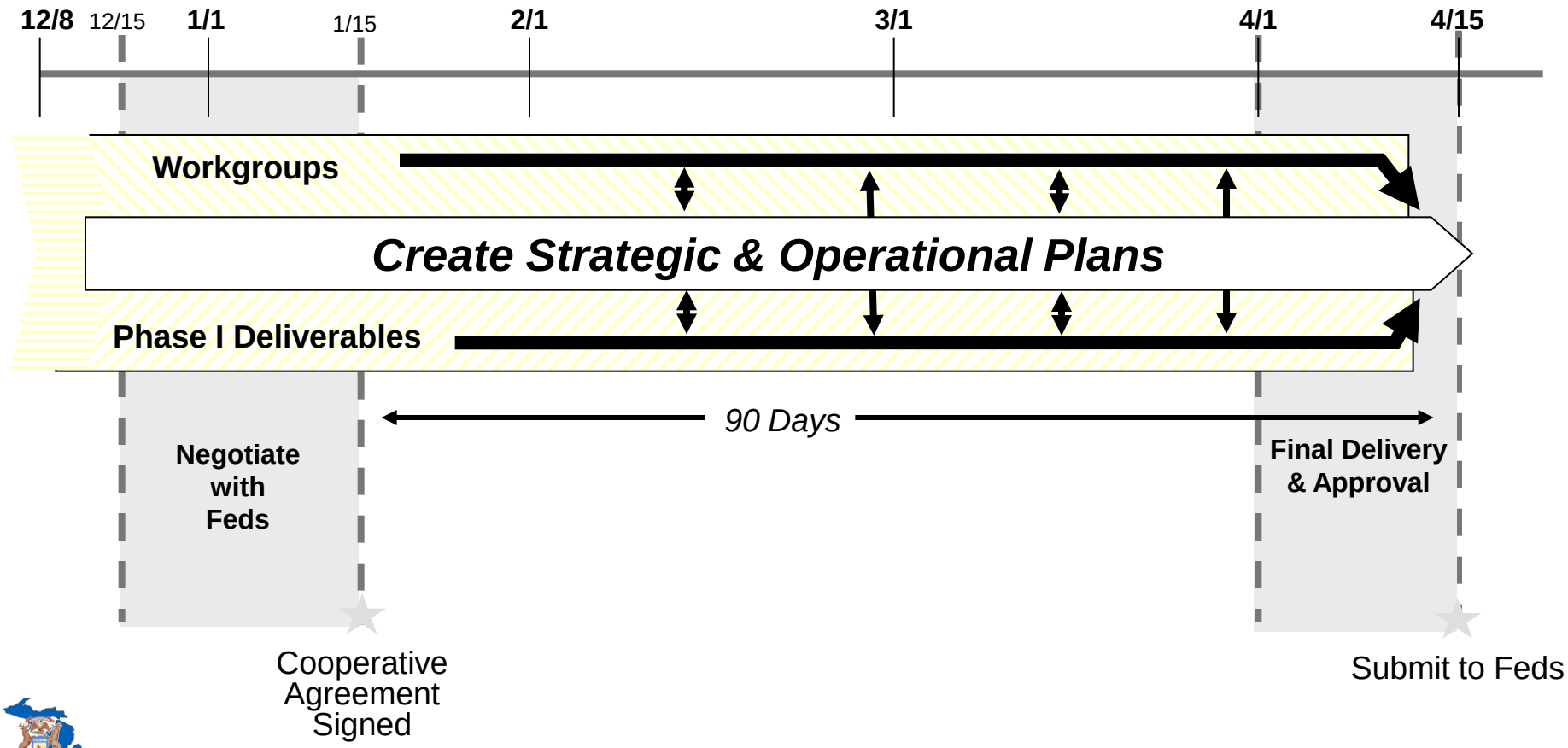
- Support the implementation of the ONC priorities for health information exchange including NHIN connection
- Establish Long-term Governance Structure
- Establish a Financial Sustainability Plan
- Develop a statewide infrastructure for the secure exchange of health information
- Create an incremental plan for implementing HIE over the next four years across Michigan
- Ensure interoperability of disparate systems by developing and implementing technical standards that address privacy and security
- Develop measures for success

Current MiHIN Strategy

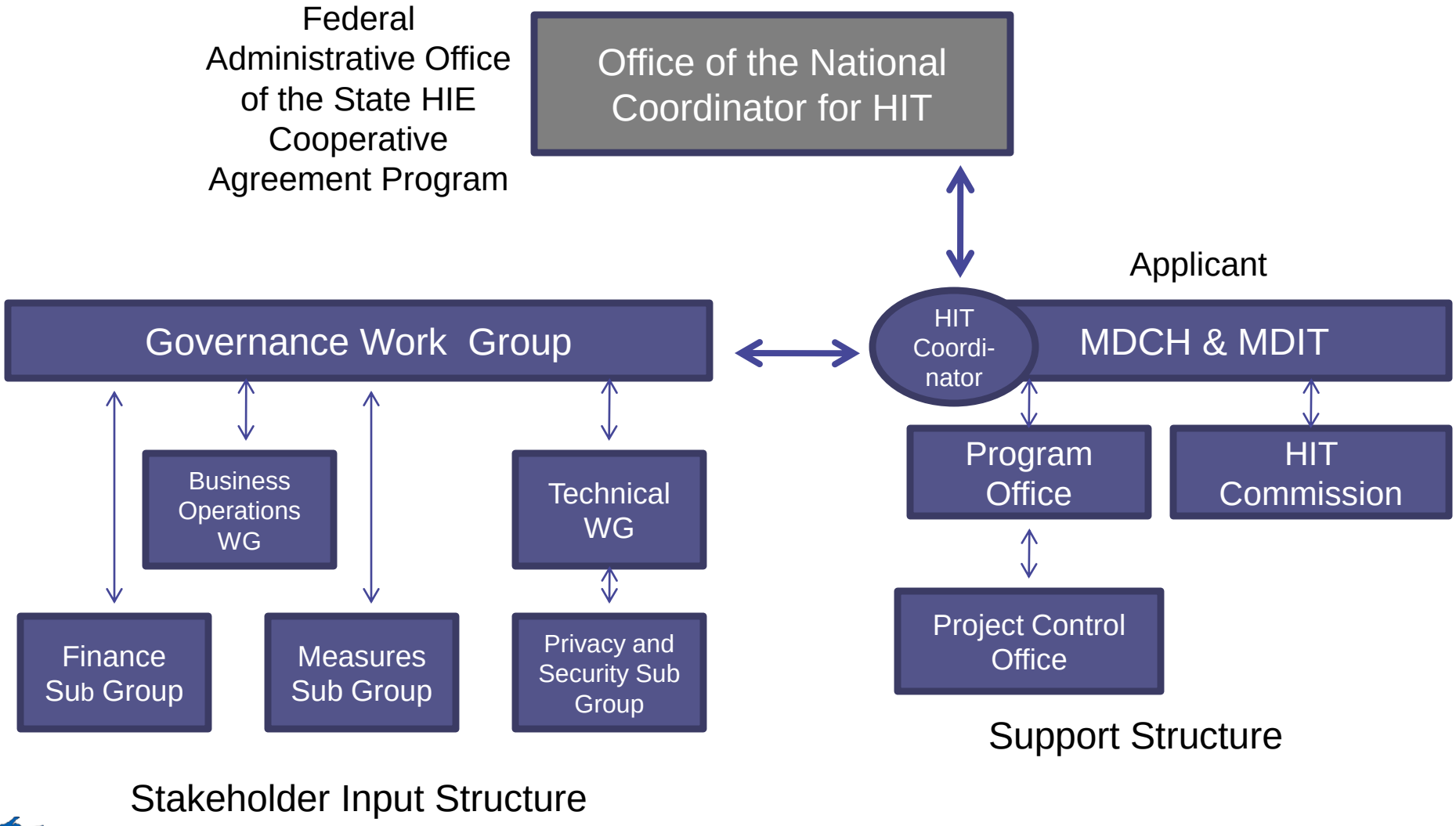
Goal

4/15/10 - Submit Strategic & Operational Plans to Feds

Current Approach & Schedule



Project Structure



Major Milestones

Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
HIE Project Planning Complete	SOM Systems Technical Environment Analysis	HIE early adopter technical environment analysis Preliminary technical planning completed for statewide HIE infrastructure		Develop technical specifications for financial detail for the ONC Operational Plan			Final Strategic and Operational Plans	Recommend final MiHIN HIE Infrastructure Solution

Finance Deliverables to Governance

• Draft Strategic plan	• 2/1/10
• Review by Tech	• 2/8/10
• Approve final draft	• 2/15/10
• Deliver Budget	• 2/16/10
• Initial matching plan	• 2/15/10
• Strategic Plan due	• 3/31/10
• Operational Plan due	• 4/5/10

Health Information Exchange Overview

- Federal support for HIE
- “The problem we’re trying to solve”
- The MiHIN Concept

ONC Activities: Work has Focused in 4 Areas

- **Standards Harmonization Process**
  - $3.3M Base Year
  - ANSI (Prime), ATI, Booz Allen, and HIMSS
  - Formed HIT Standards Panel (HITSP)
  - Develop, prototype, & evaluate harmonization process for achieving set of HIT standards that will support interoperability among health care software applications, particularly EHRs

- **Compliance Certification Process (CCHIT)**
  - $2.7M Base Year
  - Certification Commission for HIT (Prime)
  - Develop criteria and evaluation process to certify EHRs and the infrastructure or network components through which they interoperate

- **NHIN to NHIN II**
  - $22.5M to nine HIEs
  - $600k to seven additional HIEs
  - Implement and test the NHIN specifications and demonstrate their connectivity to others. Through the NHIN Cooperative, awardees shall achieve, test and demonstrate technical and trust relationships and the exchange of private and secure health information among providers, patients, and other health care stakeholders with the other participants in the NHIN _> 'network of networks'.

- **Privacy and Security Solutions**
  - $11.5M Base Year -> contract extension to develop plans to implement the proposals from the first phase of HISPC
  - RTI with National Governors Association
  - Formed Health Information Security and Privacy Collaboration (HIPSC)
  - Work with state and territorial governments to assess and develop plans to address variations in policies and laws that affect P&S

Additional Areas of Focus -> Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009

- **HIT Regional Extension Centers:**
  - **"Offer providers technical assistance in the selection, acquisition, implementation and meaningful use of an electronic health record (EHR)"**
  - **Funding just increased by $43 million to $640 million**

- **Workforce Program:**
  - **"Fund the training and development of a workforce that will meet the short term HITECH Act programmatic needs"**
  - **Funding has not yet been announced**

- **State Grants to Promote HIT (State HIE Cooperative Agreements Program)**
  - **Promote HIE that will advance mechanisms for information sharing across the health care system**
  - **$564 million**

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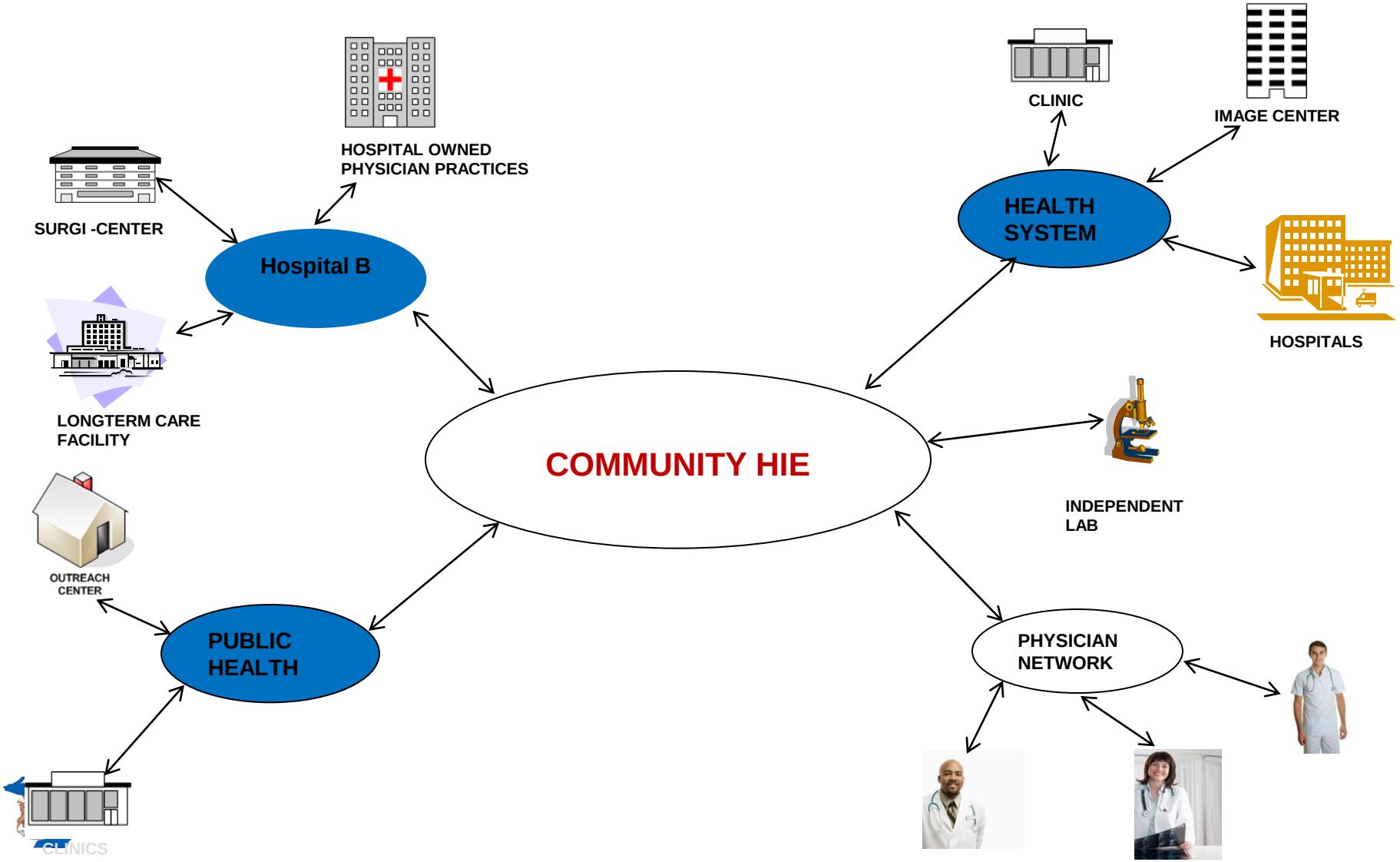
HIE at the Community Level



National Health Information Network (NHIN)

Other state, federal or regional HIE's

"network of networks"

The MiHIN Concept

- HIE services to be provided:
  - the ‘highway’ for organizations to exchange health information across the state
  - the connection to other states through the National Health Information Network (NHIIN)
  - specific major technical services (pending validation by Technical WG):
    - master patient index (MPI)
    - record locator service (RLS)
    - query for documents
  - specific clinical services (pending validation by Business Operations WG):
    - laboratory test ordering and results reporting
    - Public health reporting services

- Value of HIE to stakeholders
  - a standards based ‘backbone’ that can incrementally be expanded
  - immediate availability of technical services for HIE organizations that are technologically prepared ‘to connect’
  - pilot testing of clinical services to validate use and value of the MiHIN
  - supports requirements for HIE interoperability needed for physicians and hospitals to receive Medicare and Medicaid EHR incentive payments
  - supports current Meaningful Use criteria (TBD based on further ONC guidance)

Answering the Tough Questions

- What information will users of the statewide HIE begin exchanging?
- What value/impact will the information provide to healthcare delivery?
- What return will the investing stakeholders derive?
- How will Privacy and Security issues be addressed: consent; data sharing/use; opt-in/out?
- What will be the technical architecture given current technology of the stakeholders, evolving standards, financial resources….
- How long will it take to begin exchanging health information?
- What are the expectations and what is the plan to achieve financial sustainability?
- What metrics will be used to measure the success of the statewide HIE?
- Where do we start in communicating with providers, consumers, regulators..

Matching

- Develop Value proposition list by Stakeholder type
  - Workgroup development
- Possible Principles to consider for match
  - Those paying should help define the model
  - Those who benefit must pay
  - Payment should be proportionate to the benefit
  - Keep it simple

Matching cont…

- Matching Funds
  - Value Proposition
    - Social capital, or stakeholder goodwill
    - Human capital – donated
    - HIE functionality – transition from transactional to creating other value propositions – Provider clinical decision making
    - Population health, disease reporting, disaster preparedness
    - Cost reduction from decreased ordering and utilization
    - Heightened value when non-provider data users can impact the quality of care – population dynamics
    - Patient consumer - Personal health PHR

Background Information

- ARRA Matching Requirements

Fiscal Year of Funding	Match Required
2010	None
2011 (begins Oct. 1, 2010)	$1 for each $10 federal dollars
2012 (begins Oct 1, 2011)	$1 for each $7 federal dollars
2013 (begins Oct 1, 2012)	$1 for each $3 federal dollars

Benefits Depend on Your Vantage Point

Improvements	Patients	Physicians	Health Plans	Hospitals	Employers	Public Health
Care at point of delivery	X			X		
Care Coordination	X			X		X
Patient engagement	X					
Access to patient histories		X		X		
Consistency & completeness		X		X		X
Cost savings			X	X – RD	X	
Access to test results		X		X		
Access data outside of clinical setting		X		X		X

Stakeholder Benefit and Role in HIE

Stakeholder Role in HIE

Stakeholder HIE Benefits	Patients	Physicians	Health Plans	Hospitals	Employers	Public Health
Receive Improvement in Care	Full Recipient					
Deliver Improvement in Care		Provide Clinical Data	Provide Claims Data	Provide Clinical Data		Provide pop hlth data
Measure Improvement in Care			Analyze /Report	Analyze/ Report		
Receive Cost Savings From Reduced Utilization	Funder		Funder		Funder	
Receive Efficiency Improvement	Funder	Funder	Funder	Funder	Funder	Funder
Improved Care Management			Funder		Funder	
Improved Population Health Management		Provide Clinical Data		Provide Clinical Data		Funder

ARRA Requirements For Planning

- Strategic Plan
  - Business plans for financial sustainability by end of project
- Operational Plan
  - Plan for cost estimates and staffing
  - Controls and reporting

Sources for funding

- Services

Results delivery	HealthBridge Model
Membership Fees	QHN
Tax on claims	Utah, Vermont, Penn.
Other services	

- Medicaid and Medicare Reimbursement
  - HIE connectivity
  - More information by next fall
- Meaningful use
  - Requirements to come soon by year end from HHS

What others have done

- HealthBridge
  - Services
- State Taxes
  - Utah
  - Pennsylvania
  - Vermont

HealthBridge ROI Calculations

- Infrastructure Savings: Hardware/Software/Telecommunications
  - Greater Cincinnati has standardized on HealthBridge to make clinical content (like Mercy's Clinical Browser) available to physicians in their offices and homes. Before HealthBridge health systems and managed care organizations paid for telecommunication and PCs in physician offices.
    - Estimated Savings: $654,000/year
  - By licensing certain software at a community level (the Clinical Messaging system is the best example) the system is both more useful to physicians (they have one clinical inbox for results from all hospitals) and much less expensive. (Licensing fees relate to number of physicians using the system. Since many physicians are active at more than one hospital if they were licensed separately it would cost 3 to 4 times as much.)
    - Estimated Savings: $1.5 million/year
  - Core hardware / infrastructure for physician connectivity is shared across the community (SSL VPN for Internet connectivity, core routers, shared data center, etc).
    - Estimated Savings: $185,000/year

HealthBridge ROI Calculations cont…

- Operational Savings Due to Clinical Messaging
  - HealthBridge is currently delivering 920,000 results electronically per month. The cost saving is about $0.55 per result delivered electronically. Savings are seen in: postage, labor and supplies associated with the initial delivery, re-delivery of results and administration/auditing of the process.
    - Estimated Savings: $6.0 million/year
  - Community EMR feeds through the Clinical Messaging system eliminates the need to develop and maintain “one-off” interfaces to physician groups. Interfaces cost $15,000-$20,000 to create and $3,500/year to maintain.
    - Estimated Savings: $400,000/year

HealthBridge Beyond ROI

- Beyond the ROI
  - We are more than satisfied that we are saving money with the HealthBridge health information exchange, and that's an important aspect of this effort—but it's not the most important.
  - Far more important is the fact that we are improving the quality of care in our community. Though this is tough to get a quantitative handle on, it is clear to me that when physicians can get access to their patients' data in minutes instead of hours or even days, that a real step forward.
  - What I look at is the number of physicians and other clinicians that are logging into HealthBridge using Mercy's clinical content and using Clinical Messaging. We are close to 40,000 logins to the HealthBridge portal per month and utilization continues to increase.
  - I also listen to what physicians are saying about HealthBridge—and they are saying that it helps them care for their patients and makes their lives easier (home access, etc.). That's a winning combination—especially since we are saving money at the same time.

Message Delivery – Printing ROI Before

- Assume: 6000 results printed per day;
- 1.00 minute per staff member; $28,000 staff salary
- 6000 results per day x 1.5 pages = 9000 pages per day
- 9000 pages per day x 1 envelope of 13 pages = 692 envelopes per day
- 692 envelopes per day x .57 postage = $394.62 in postage per day
- 9000 pages per day x .045 PT&M per page = $405 PT&M per day
- 6000 results x .0167 staff hours per result = 100 staff hours per day
- 100 staff hours per day x $16.15 per hour = $1,615.38 staff cost per day
-
- Postage + PT&M + Staff Cost = $2,415 per day
- **$2,415 x 260 days per year = $627,900 total processing costs per year**

Message Delivery – Printing ROI After

- Assume: 6000 results printed per day;
- 50 minutes per staff member; $22,000 staff salary
- 6000 results per day x 1.5 pages = 9000 pages per day
- 9000 pages per day x 1 envelope of 26 pages = 346 envelopes per day
- 346 envelopes per day x .97 postage = $335.77 in postage per day
- 9000 pages per day x .045 PT&M per page = $405 PT&M per day
- 6000 results x .0083 staff hours per result = 50 staff hours per day
- 50 staff hours per day x $12.69 per hour = $634.62 staff cost per day
-
- Postage + PT&M + Staff Cost = $1,375.38
- **$1,375.38 x 260 days per year = $357,600**
- **$627,900 - $357,600 = $270,300 in Savings per Year**

State Tax Funding

- Utah
  - Utilizes an EDI tax all set up on line
- Pennsylvania
  - An assessment on all medical claims paid by insurers to cover the costs of PHIX implementation and ongoing operations is the most equitable means to provide
- Vermont
  - Quarterly tax on health plans

Next Steps

- Review Objectives for today
- Requirements for next meeting(s)
- Assignments
- Decisions to make next time
- Adjourn

Results Delivery

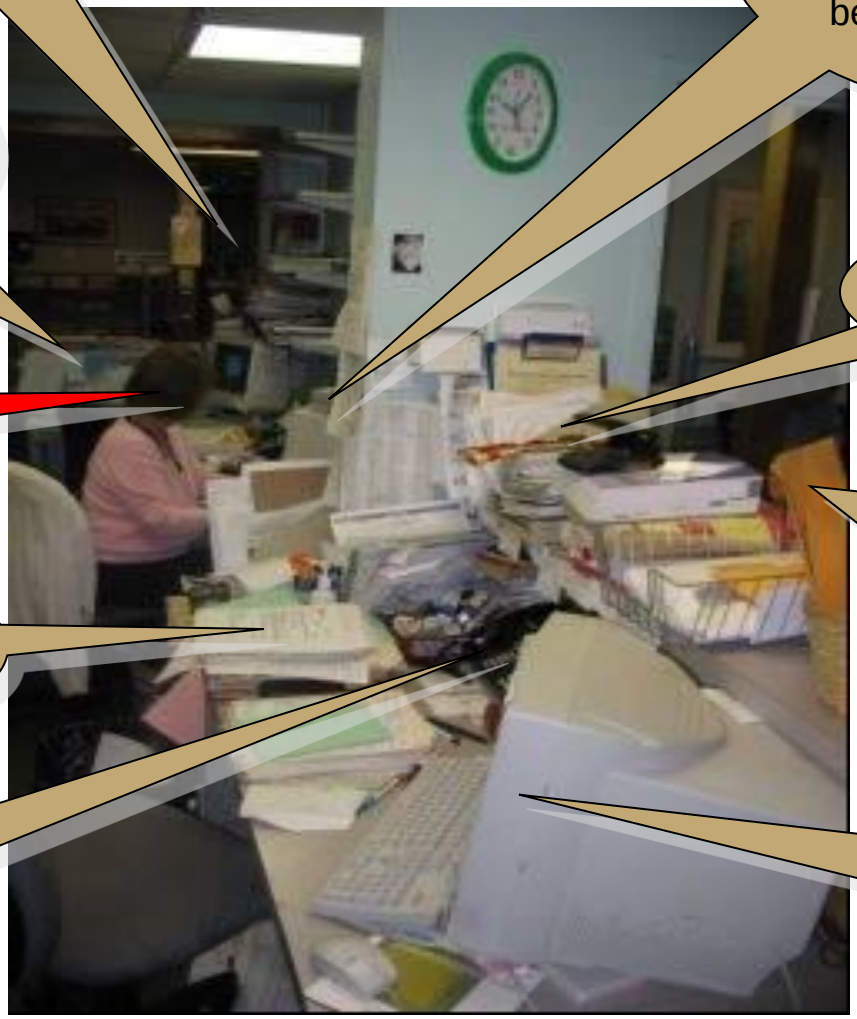
Results Delivery – The Problem

- Clinical services are delivered in a broad variety of settings (i.e., lab testing, transcription)
- Service providers (labs, transcription) bear the responsibility to deliver clinical information to caregivers practicing in many different environments
- The same physicians may receive data in inpatient, outpatient, and multiple clinic settings
- Current delivery methods are largely manual and inefficient

Results Delivery – An Example

- Laboratory generates a clinical result
  - Who needs to receive it?
  - Where does it need to be delivered?
  - What's the best way to deliver it?
- Most common approaches today all require human intervention:
  - snail-mail
  - fax
  - phone calls

Typical Physician Office



"**Hey Sally!** Where is Mrs. Jones x-ray?"

Prescription refill request on fax machine (Right behind the joke of the day)

Printer with results from one lab

Unopened mail

"I need another Valium!"

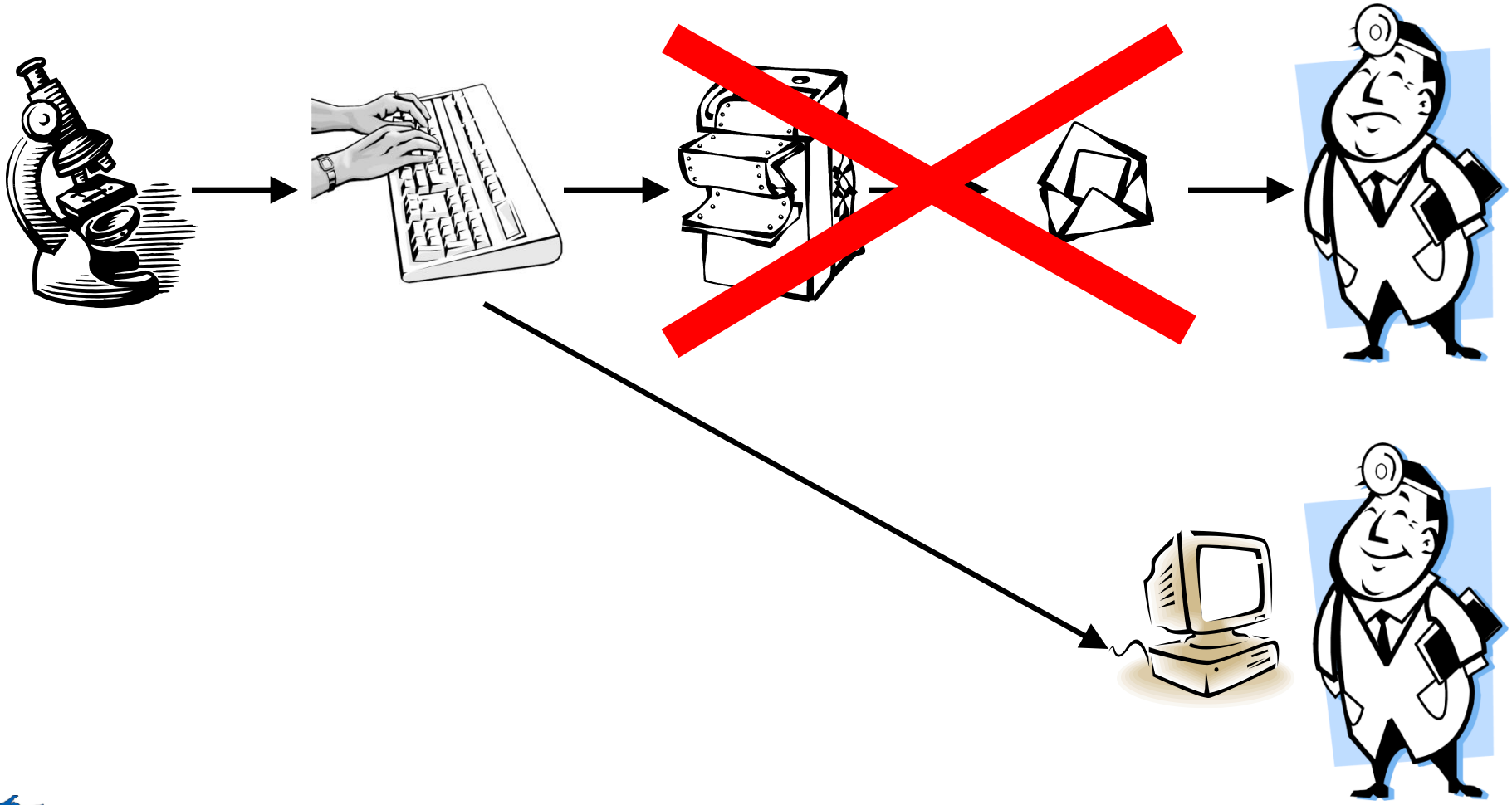
Courier just dropped off more envelopes

Unsorted results

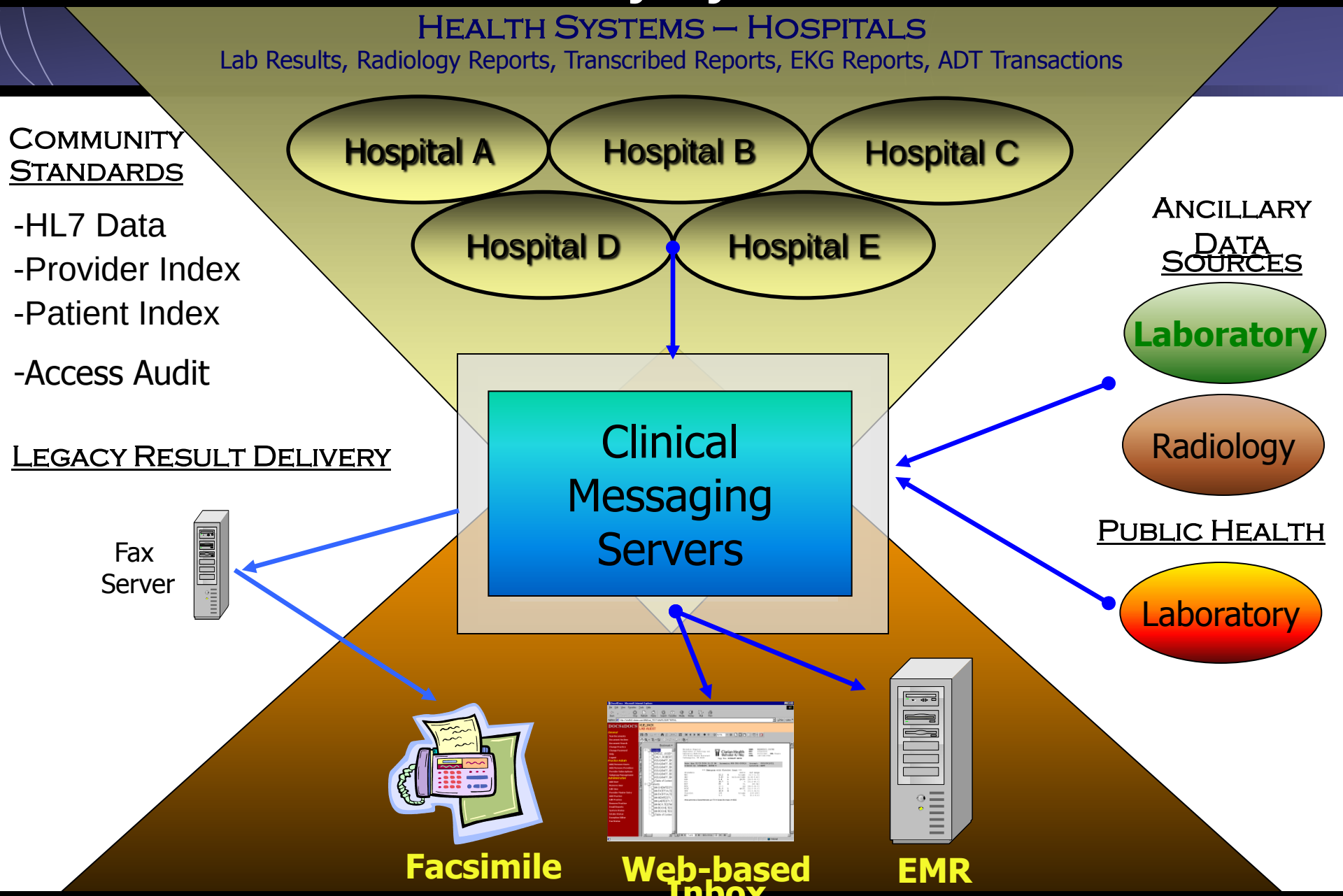
Web portal! (from one hospital)

About to ring with stat results

Results Delivery



Results Delivery System Overview



Results Delivery – A Solution

- Replace current manual processes, consolidate work in automated fashion within HIE
- Engages physician practices directly
- Incremental step towards moving providers into information-based practice

Results Delivery – Who Benefits

- The service providers and others who are responsible for delivering clinical results benefit by reducing results delivery costs
- Providers benefit by receiving results in a consolidated, more timely fashion
- The HIE can deliver this service more effectively at lower cost:
  - Results delivery costs may be reduced by 40-50%
  - A service provider who delivers 1 million results a year may save up to $400K.

Results Delivery - Value

- Streamlines provider's access to data in their offices
- Incremental step to moving providers to information based practice
- Creates data flows from many sources
- Engages physician practices directly
- Contributes sustainable funding for HIE
- Great first step towards full HIE

What is HIT?

- Health Information Technology
  - HIT = *deployment of technology*
  - HIT is the local deployment of technology to support organizational business and clinical requirements. HIT is technology implemented within the physical space of a doctor's office, laboratory and hospital/health system. Items such as Electronic Medical Records (EMR) systems, administrative systems (such as billing), and workflow systems are examples of HIT systems.

Funding options

- **The Utah Health Information Network**, a coalition of payers, providers and other stakeholders brought together to reduce the cost and improving the quality of healthcare, is building a statewide HIE and applying to be the Utah and Nevada Health Information Regional Extension Center.