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# **MiHIN Governance Work Group**

• January 22, 2010



## Today's Agenda

- Review and refine proposed changes to WG scope or process
- Review overall MiHIN goals and timeline
- Review summary of inputs from technical analyses to Business Operations Workgroup activities
- Approve clinical priorities
- Review proposed use cases
- Review governance model development input
- Next steps
- Public comment



## Today's Objectives

- Understand depth of analysis conducted to support development of clinical priorities, use cases and technical architecture
- Approve clinical priorities
- Understand preliminary use case recommendations
- Begin to narrow options for long term MiHIN governance model



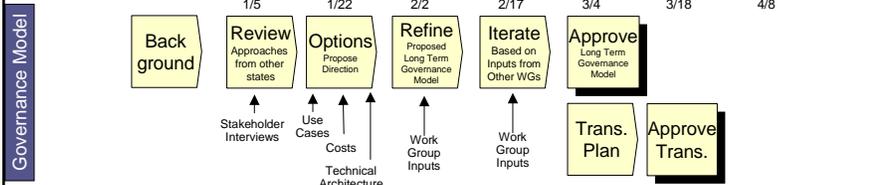
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Proposed Changes to  
Governance WG Scope / Process

Discussion / Questions



# Governance Workgroup Deliverables

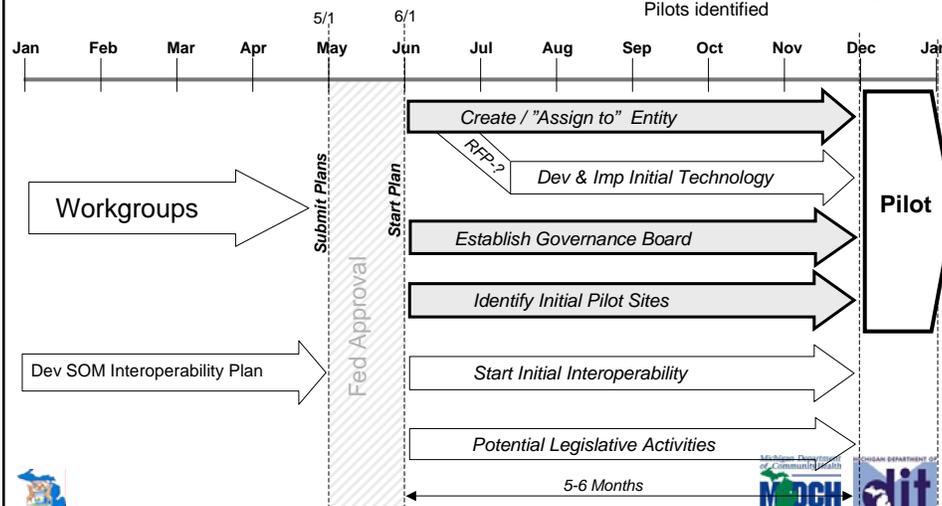


- Approvals**
- Charter
  - Clinical & Business Operations Priorities
  - Use Cases
  - Technical Architecture
  - Governance Model
  - Business Plan / Sustainability Model
  - Interoperability Standards
  - Transition Plan
  - Statigic Plan – Final Draft
  - Privacy/Security Guidelines
  - Final Budget
  - Operational Plan – Final Draft



# MiHIN Timeline

**12/31/10 Goals:** State Designated Entity operating  
Governance board operating  
Pilots identified



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## ***MiHIN Business Operations Workgroup: Progress to Date***



## Background

- Three months of work encompassing:
- **Early Adopter Survey (80+ invites, 32 responses)**
  - Geographic diversity: all Medical Trading Areas
  - Sector diversity
- **Technical Assessment Survey (27 invites, 12 substantive responses)**
  - Geographic diversity: all Medical Trading Areas
  - Health System dominance
  - Interviews and materials review (21 Interviews, over 3,000 pages of materials)
- **State of Michigan Systems Technical Analysis**
  - Documentation Review (over 600 pages of materials)
  - Interviews (12 interviews)
- **Business Operations Workgroup**
  - Peer recognized experts
  - Geographic diversity
  - Subject matter diversity



## HIE Service Priority Recommendations

1. Electronic clinical laboratory ordering and results delivery
2. Electronic public health reporting
3. Quality Reporting
4. Clinical summary exchange for care coordination and patient engagement
5. Electronic eligibility and claims transactions
6. Electronic Prescribing and refill requests
7. Prescription fill status and/or medication fill history



## Use Case Ranking

### Electronic clinical laboratory ordering and results delivery

1. Deliver Lab Results
2. Deliver Lab Results (Additional Results)
3. Deliver Imaging Results

### Electronic public health reporting

1. Immunization event to MCIR
2. Immunization history from MCIR
3. Syndromic result to MSSS

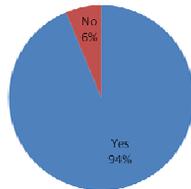


## Work Group member interviews - results



### Member Experience

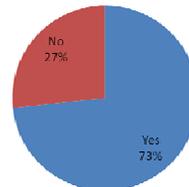
#### Governance Experience



Most members have experience with other governing entities as well as starting new companies, contributing to lessons learned for the MIHIN governance model

That experience covered a wide range of services with a predominance in healthcare as well as a wide range of type of entity, size and geographic representation.

#### New Business Experience



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## Governance Model Lessons Learned

Discussion / Questions

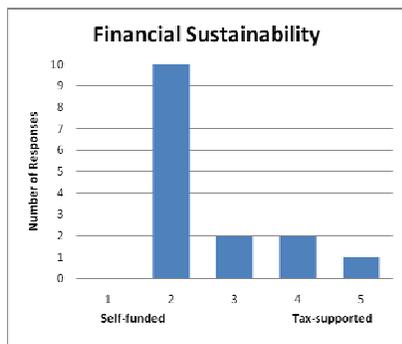


### Critical Success Factors

- Diverse stakeholder involvement (11)
- Enable access and evolve use of data (relevance) (10)
- Financial sustainability (7)
- Sound business plan (5)
- Clarity of vision (4)



## Alignment with Financial Sustainability

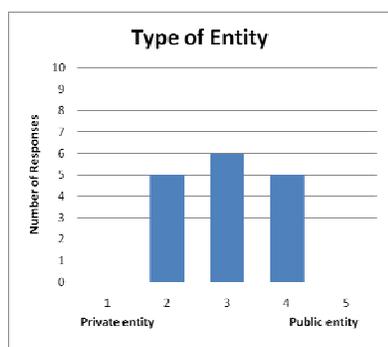


*Most agree on a self-funded model with some state and federal funding*

- Aligned with not-for-profit model in position to obtain grant funding from multiple sources – federal, state and private
- Also aligned with public utility model
- For profit model would work, but would include significant constraints with funding and perception related to public benefit



## Alignment with Type of Entity

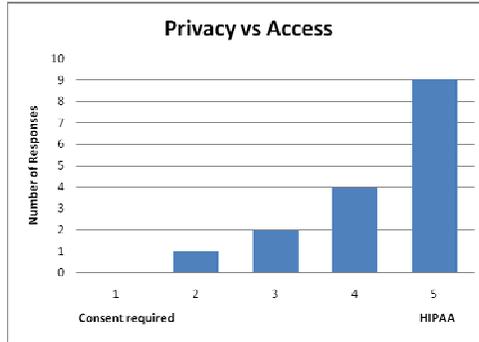


*Agreement on public/private, but no consensus on degree*

- Aligned with public utility model or not for profit
- Supports decision at last meeting to eliminate Government model
- Suggests for profit model may be eliminated



## Alignment with Privacy vs Access

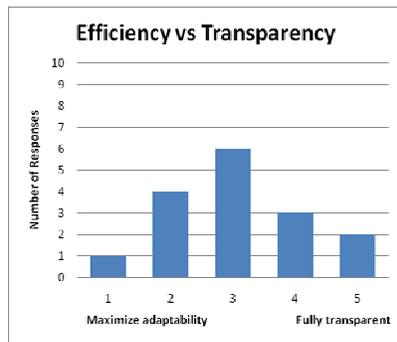


- Can be addressed with any model with appropriate contracting
- Communication and education will be critical and can also be addressed with any of the proposed models

*There is general agreement that HIPAA , supplemented with MI-specific privacy regulations, will adequately protect MI citizens*



## Alignment with Efficiency vs Transparency

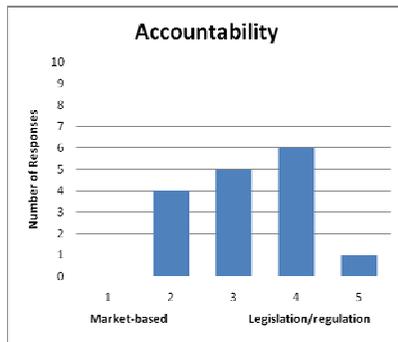


- Balance can be best achieved with not for profit model with well aligned regulation and by-laws
- If public utility, would require level of transparency that could impact efficiency, decision making, potentially impacting adaptability of the business operations
- If for profit model, would need specific contract requirements and/or legislation/regulation to force additional transparency

*There is general agreement that balance is between efficiency and transparency is needed*



## Alignment with Accountability



- Leans toward public utility model, or not for profit
- Further supports decision to exclude pure government model
- Provides additional support toward excluding for profit model

The group appears to be leaning toward some legislation and regulation, at least to get started



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### ***Governance models – narrowing the options***



## Governance Structure Options

- Public Utility
- Non-Profit Corporation Model
  - 501(c) (3) - Public Benefit Corporation
  - 501(c) (4) - Public Benefit Corporation
  - 501(c) (6) - Mutual Benefit Corporation
- For Profit Corporation Model
- Limited Liability Company Model



## Public Utility Model

### ***State authorizes a nongovernment entity to design, own and operate***

- **State government would be responsible for the following tasks:**
  - Convene stakeholders and reach consensus on governing authority (utility commission)
  - Establish and enforce privacy and security policies
- **Responsibility of exchange utility:**
  - Finance and construct the exchange: raise funds and propose fees
  - Operate the exchange, perform upgrades and be responsible for adhering to required privacy and security practices
- **Responsibilities of HIE utility commission (possibly in partnership w/State):**
  - Review rates to ensure continuation of services and reasonable rate of return
  - Review and determine requests for use of data in the exchange
  - Ensure compliance with privacy/security policies



Source: Report to the State Alliance for e-Health: Public Governance Models for a Sustainable Health Information Exchange Industry, 2009



## Public Utility Model

### Key Advantages

- Allows vendors to build and operate the exchange
- Allows use of private capital to finance the exchange
- Rate-setting process could be used to establish performance rewards and cover system upgrades
- Stakeholders could be involved in approving system costs
- Sole source/eliminates competition



### Key Limitations

- Private companies may not want to operate under the strictures of a utility arrangement
- Requiring the utility to operate as a self-financed entity may result in high initial user fees as regional/community/private HIEs get underway
- Entity chosen to operate the HIE could fail, requiring state intervention



## Non-Profit Corporation Model

- A non-profit corporation is formed to be the development and/or operating company
- HIE governance model could qualify as a 501(c)(3), (4), or (6) tax-exempt organization or a taxable non-profit (differences in funding, lobbying, operational flexibility and conflict of interest standards)
- It may have only a governing board or it may have "members" (comparable to stockholders) who elect the governing board and/or have the right to vote on certain (but not all) matters affecting the corporation/project



Source: Texas Health Information Technology Advisory Committee



## Non-Profit Corporation Model

### Key Advantages

- Facilitates governmental / private foundation funding
  - If short to mid term financing is dependent upon grant monies then this is a key element
  - Contributions may be tax deductible
- Public perception advantages
- May have tax-exemption advantage, depending upon option pursued
- Offers the potential for a public-private approach to governance
- Can be structured to reduce competition



Source: <http://www.calrhio.org/?cridx=503>

### Key Limitations

- Access to capital issues
- Depending upon option pursued, may have
  - Conflict of interest rules
  - Lobbying/advocacy limitations
  - Executive compensation scrutiny



## For Profit Corporation Model

- A for-profit corporation is formed to be the development and/or operating company
- The corporation would have stockholders (may consist of one or more classes - representing different levels of "investment", with different voting rights), who would in turn elect the members of the board of directors



Source: Texas Health Information Technology Advisory Committee



## Limited Liability Company Model

- A limited liability company (LLC) is formed to be the development and/or operating company
- The operating agreement for the company would identify: who holds what economic interests in the entity and their respective rights, as well as the role of a governing body (if any) distinct from the equity owners



Source: Texas Health Information Technology Advisory Committee



## For Profit Corporation or LLC

### Key Advantages

- Most flexible business form for long-term operations
- Maximize access to capital
- Least governmental regulation

### Key Limitations

- Substantially limits ability to fund operations on non-user fee basis
- Creates non-profit/tax law issues for non-profit stakeholders
- Complicates antitrust law analysis



Source: <http://www.calrrio.org/?cridx=503>



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## Discussion / Questions



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## ***Governance models – to operate or not?***



## New York e-Health Collaborative (NYeC)

### Goals

The New York eHealth Collaborative will galvanize health care systems improvement by promoting broad use of health information technology through a comprehensive and coordinated state policy agenda that:

Stimulates coordinated and collaborative efforts among health care stakeholders to identify and overcome barriers to widespread health IT adoption and use to enhance evidence-based practice by clinicians, as well as consumer engagement in health maintenance and management;

Advances health care performance measurement, public reporting and improvement supported by health IT;

Improves public health through effective prevention and management of chronic disease, as well as stronger public health surveillance and emergency response capabilities; and

Ensures accountability by measuring and evaluating health IT impact on health care systems, payers, providers, and consumers.

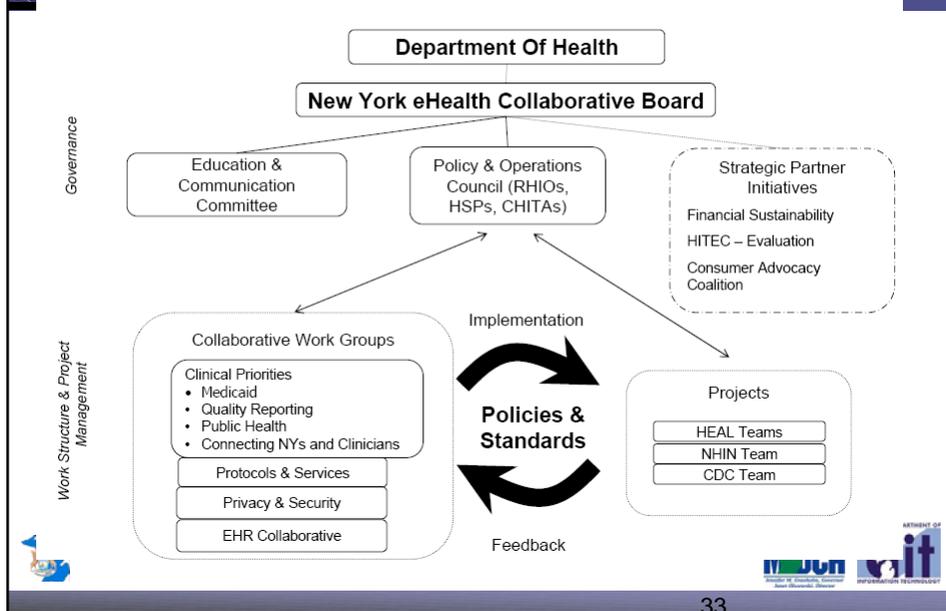


## New York

- HIE: State Health Information Network – New York (SHIN-NY)
- Funding (initial)
  - \$52.9M awarded from NYS DOH in 2006 for 26 health IT projects
  - \$105M additional funding in 2008 from NYS DOH for 19 health IT projects
  - \$35M grant funding in 2009 from NYS DOH to advance the development and implementation of New York's health information infrastructure.
- Unique attributes
  - NYS has identified health IT as a key part of its health reform agenda
  - Strategy is to provide funding that enables RHIOs and CHITAs to implement the technology and achieve financial sustainability
  - In return, funded organizations must actively participate in: governance; development of and compliance with statewide rules, technology standards and privacy/security guidelines; approaches to measurement; and financial sustainability plan requirements
  - Exploring RHIO accreditation program as part of HIT strategy



## Statewide Public-Private Partnership & Collaboration Process – Governance & Policy Framework for New York's Health IT Agenda



## NY – Lessons Learned

### Lessons learned

- Very RHIO and CHITA – centric
- Substantial involvement of organizations and stakeholders across the state to drive all aspects, from governance to vendor requirements
- All awardees required to provide matching funds – ‘skin in the game’
- Slower to implement because dependent on progress of regional HIE efforts but within the next 2 years will achieve a substantial statewide HIE network
- Large number of projects allows all aspects of HIE to be developed from clinical priorities (medication history to transitions in care) to deployment (EHRs to statewide services)
- Costly to implement because are funding numerous initiatives at one time and significant resources are required to manage statewide collaboration process
- Benefitted from involvement with NHIN and CDC projects



## Discussion / Questions



### Colorado

- **HIE: CORHIO**
- **Funding (initial)**
  - The Colorado Health Foundation – \$1.4 million
  - Governor's Building Blocks – \$1 million, with State/Federal/Private Sector match
  - Point of care – \$5M, AHRQ
  - Clinical decision support – \$600,000, State (CCPD)
  - Privacy and security - \$875K, federal (ONC)
- **Funding (ongoing)**
  - Considering a subscription model
- **Unique attributes**
  - Cultural preference for the market over government solutions



## CORHIO – Current Services and Usage

### ***Point of Care Inquiry System (initial AHRQ-funded pilot) – live 12/1/08, evaluation due soon***

When a patient comes to the emergency room at a participating organization (The Children's Hospital, Denver Health & Hospital Authority, KaiserPermanente Colorado and University of Colorado Hospital) over 500 emergency department clinicians can access the CORHIO system for following medical information:

- Prescription drugs - both prescribed and dispensed
- Lab tests
- X-rays, MRIs and other imaging reports
- EKG reports and images
- Diagnoses
- Registration information

### ***Biosurveillance pilot (2008)***

- Evaluate emergency room patterns that might indicate naturally occurring or bioterrorist acts – public health “early warning system”
- Twenty (20) contributing hospitals could securely view daily community surveillance reports



## CORHIO – Planned Services

Planned future services:

- Clinical Messaging
  - e-Prescribing
  - Laboratory orders & results
  - Patient referrals to and from a specialist
- Immunization simplification (CDC grant)
  - The Colorado Immunization Information System (CIIS) currently tracks children for vaccines, assists providers in recall efforts, and advises what the appropriate vaccines are for any child in the registry
  - Allows clinicians to rapidly access important immunization health information when and where it is needed leading to improved vaccine rates and reduced vaccine-preventable disease
  - Converting to new messaging standards will simplify its use making it more efficient and user-friendly

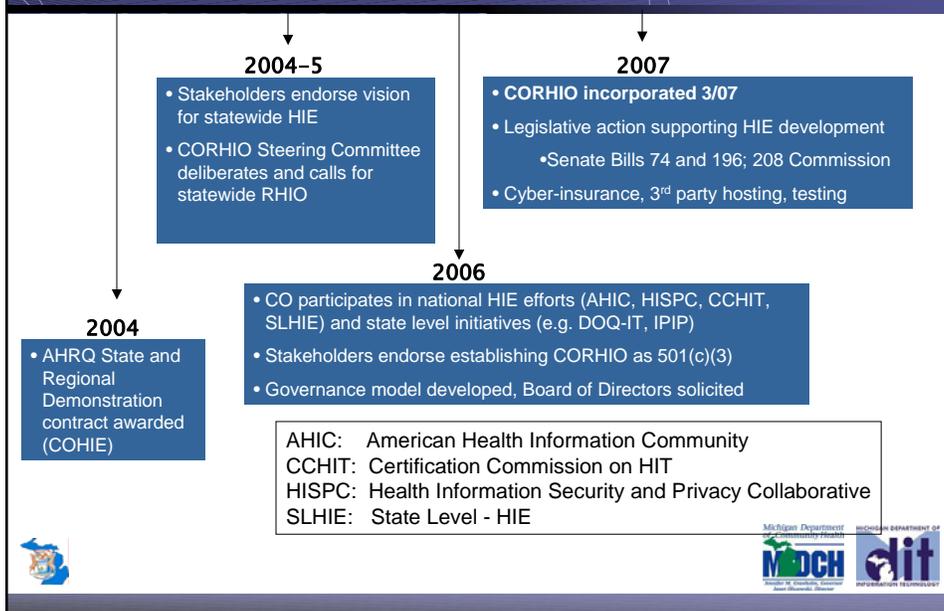


## CORHIO – Governance

- State level collaborative partnership, engaging the public and private sectors as well as a broad range of individuals, organizations, agencies, and policy makers to develop and support statewide health information exchange
- Board: 21 members, 4 ex-officio (Medicaid agency, public health, state CIO, state QIO)
- Stakeholder Engagement/Committees
- Consumer Advisory
- Policy
- Technology



## CORHIO Chronology



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## Discussion / Questions

