

**Texas Health Information Exchange (HIE)  
Cooperative Agreement Program**

**Funding Opportunity Number: EP-HIT-09-001**

**Project Narrative**

The State of Texas intends to develop a state plan with strategic and operational components for statewide health information exchange (HIE) through a partnership between the Texas Health and Human Services Commission (HHSC), the agency for all health and human services activities at the state level, and the Texas Health Services Authority (THSA), a public-private partnership focused on promoting and coordinating HIE. HHSC will serve as the fiscal agent for the State HIE Cooperative Agreement Program and the THSA will coordinate the planning process under contract and with support from HHSC. Once complete, the strategic and operational plans will guide the implementation of statewide HIE services for the state.

Texas currently has no state plan in place to guide development and implementation of a robust HIE infrastructure. However, there are assets in place and activities underway that can be leveraged to establish the foundation. Using ARRA funds, the THSA in coordination with HHSC and with the input of key stakeholders, through the THSA workgroups, public comment, and informal communications, will develop a strategic HIE plan that addresses the needs of the public and private health care communities and an operational plan that describes how the strategic plan will be implemented.

[Note on resubmission: The feedback received from the external review panel used by the Office of the National Coordinator in response to the initial Texas application is attached as Appendix 1 along with item-by-item explanations of how the deficiencies were addressed. In addition to being delineated in Appendix 1, these remedial measures have also been incorporated into this revision.]

## **General Background**

Health information technology (health IT) is a complex set of technologies, policies, and standards that interacts with consumer and provider behaviors, workflows and many other factors. Safe, timely, efficient, effective, equitable and patient-centered application of health IT promises to revolutionize the delivery of health care.

With a large number of uninsured individuals and a heavy reliance on local governments with limited resources as safety net providers, significant benefits can be gained in Texas through the use of health IT. The ability to electronically share and access health information is a key component in effectively coordinating and providing comprehensive care to patients. According to a study published in the January 2009 issue of Archives of Internal Medicine, patients at Texas hospitals that have automated notes and records, order entry and clinical decision support of their health information systems have fewer complications, lower death rates and reduced costs

### *Vision*

With these considerations in mind, and with the knowledge that in many parts of the state, some sort of HIE activity is underway, the Texas vision calls for a network of networks, linking local and regional HIE networks together, linking local HIE networks to state agencies and ultimately linking the state networks among each other and to the National Health Information Network (NHIN). With this approach, local HIE needs will be met, while state needs will be facilitated and aligned with federal needs. Stakeholder buy-in and sustainability are generated locally, with the THSA in coordination with HHSC providing statewide standards, operational requirements, accountability measures and additional functionalities to ensure coordinated HIE.

Although ultimately, the statewide HIE network architecture will necessarily emerge from the planning process rather than being pre-determined through this application, it is anticipated that local HIE operations will be leveraged where possible, with certain state-level services developed for providers and

patients not affiliated with local HIEs. This will ensure that all Texas providers can achieve the types of HIE necessary for meaningful use and that all Texas residents are able to reap the benefits of HIE. Interoperability in uncovered areas such as rural areas can be attained by establishing new local HIE networks, through expanded technology and services available through existing local HIE networks, or through the development of new state-level HIE services.

In order to leverage local HIE activity as much as possible, the THSA will work collaboratively with local HIE initiatives underway in the state, during both the planning and operational stages to identify mutually beneficial opportunities for promoting and developing HIE statewide. In addition, the Texas HIE effort will be coordinated with broadband capabilities initiated through a \$16 million FCC grant administered by the Texas Health Information Network Collaborative and through other grants for broadband services. The state plans to attain desired economies of scale that make such connectivity cost effective, especially for rural areas.

#### *History of State-Level HIT Planning and Policy Development in Texas*

Since 2006, several entities have been engaged in health IT planning and policy development in Texas at the state level – the Health Information Technology Advisory Committee (HITAC), the Health Care Policy Council (HCPC), the Texas Health Care System Integrity Partnership (THCSIP), and the Texas Health Services Authority (THSA).

#### Health Information Technology Advisory Committee

The Texas HITAC was established in 2005 by the Texas Legislature through Senate Bill 45 and charged with developing a long-range health IT plan for the state (attached as Appendix 2). Over the course of late 2005 and early 2006, the HITAC and its several subcommittees met and developed a state health IT roadmap that included recommendations for state-level health IT action, a template for regional HIE activity, consumer-level recommendations focused on privacy and consumer engagement, and provider-level recommendations focused on adoption. Among the recommendations for state-level action was the

recommendation that a lead entity should be identified at the state level to implement certain desirable state-level health IT and HIE functions.

#### Texas Health Care System Integrity Partnership

Subsequently, THCSIP through Executive Order RP-61 in late 2006 as a “blue-ribbon” commission on health care. One of the primary charges to the THCSIP was to identify the governance and finance structures for an entity to operationalize the desirable state-level health IT and HIE functions identified by the HITAC earlier that year. In response, the THCSIP recommended creating a non-profit, public-private partnership focused on promoting and coordinating HIE statewide.

#### Texas Health Services Authority

Based on the recommendations of the THCSIP, the THSA was created by the Texas Legislature in 2007 through House Bill 1066 as a public-private partnership focused on promoting and coordinating HIE statewide, but was never supplied any seed funding to get started. The THSA was legally structured through its statutory constitution as a nonprofit corporation with a broadly representative board appointed by the Governor with the advice and consent of the Senate. The board was appointed in 2008 and met several times during the course of late 2008 and early 2009 to evaluate opportunities for developing clinical use cases and value propositions around HIE that might allow for a “bootstrapped” start-up and sustainable operations. With the passage of the American Recovery and Reinvestment Act, the THSA re-oriented its planning activities around the program that eventually was to emerge from Section 3013. This application includes a substantial role for the THSA in the anticipated planning process.

#### Health Care Policy Council

In parallel and in coordination with the work of the HITAC, THCSIP, and THSA, the HCPC, an operating unit of the Governor’s Office, has undertaken a steady of planning and policy development activities relating to health IT and HIE. In addition to providing the staffing for the HITAC, THCSIP,

and THSA, the HCPC has developed several reports on health IT in Texas, including *The State of Health IT in Texas* (2006), *The Value of Health IT in Texas* (2006), and *The State Health Information Architecture* (2008) (attached as Appendices 4, 5, and 6, respectively.)

### *Principles*

The planning and policy development relating to health IT and HIE that has occurred in Texas at the state-level over the last several years has been guided by some common principles:

- The patient and consumer should be the focus of all other efforts in health IT. Patient control and ownership of personal health information must be protected and patient privacy must be respected. Health IT has great potential to benefit health outcomes for consumers but not at the risk of personal privacy.
- Market-based solutions should be sought whenever possible. In the case of health IT, there is a large and growing body of research suggesting that there is economic value to be recognized at every stage in the evolution of the electronic health information infrastructure. With respect to health IT, government participation should generally be limited to catalyzing relevant markets, facilitating collaborations, easing regulatory burdens, and assisting in the appropriate alignment of incentives.
- To the maximum extent possible, Texas will leverage existing resources and coordinate with other health IT and HIE initiatives, such as the Medicaid EHR incentive payment program, other state agency HIE initiatives, HIE initiatives developed and administered by private payers, and local/regional HIE initiatives.
- Regional solutions should be pursued whenever possible. Every region of Texas is different and should be given the freedom to fit into the emerging electronic health information infrastructure in the most appropriate way.

## **Current State of Health Information Exchange in Texas**

Stakeholders such as physicians and other health care providers, hospitals and hospital networks, state health agencies, and consumers have an earnest interest in the adoption of health IT and HIE. While over the last several years electronic health record (EHR) adoption rates have increased and some local HIE networks have become operational, there are still significant barriers to widespread use of health IT nationally and in Texas.

This section provides a snapshot of health IT and HIE activity in the state based on currently available information and data. The environmental scan, which will occur toward the beginning of the planning process will provide a much richer picture of health IT adoption rates and HIE activities in Texas. The data that has been collected on health IT adoption and use and HIE implementation and operations in Texas tends to have been collected for a specific purpose or focused on a specific provider type.

- *Consumers:* Consumer demands will ultimately drive the success of HIE and EHR adoption. In recent years, public opinion on the use and implementation of health IT has been sampled by a wide variety of organizations and industry groups. The polls have found that across political and demographic groups Americans overwhelmingly support health IT, despite concerns about security and privacy. Many are interested in personal health records (PHR) but widespread use of these has not yet occurred except in pockets where they are tethered to EHRs. HHSC and our stakeholders welcome this funding opportunity as a means to improve access to care and improve health outcomes for Texans.
- *Physicians:* In the fall of 2009, the Texas Medical Association (TMA) conducted a survey on EHR use among their members, the results of which were released in December 2009. According to the results of their survey, EHR use among physicians continues to increase with 43% of physicians reporting that they currently use an EHR in their practice, up from 33% in 2007 and 27% in 2005. Physicians planning to implement an EHR have remained the same with 41% reporting that they want

or have plans, while only 16% are reporting no plans to implement an ER. Physicians in primary care and physicians in larger practices are more likely to report that they currently use an EHR. Of the 44% physicians who report that their EHR system is capable of sending health information electronically to other sources, less than half (21%) are using it now.

Other functions performed electronically include filing claims (79%), using electronic calendar (59%), refilling prescription drug (43%), linking to managed care plans for referrals (41%), and transmitting clinical lab orders (41%). Importantly, all of these reported uses have increased since the 2007 survey. The TMA survey also highlighted evidence to suggest that some concerns about adopting EHRs remain. In 2009, 72% of physicians who did not plan to implement an EHR system reported that the costs were too high, up from 63% in 2007. The percentage of non-adopting physicians who had concerns about reliability also increased from 32% in 2007 to 48% in 2009.

Although the TMA EHR adoption survey did ask questions about the proportion of practice revenue from different payers, including Medicaid and Medicare, the low number of responding practices reporting a high percentage of Medicaid revenue prevents us from drawing statistically significant conclusions about the difference in adoption rates between practices with low and high percentages of Medicaid revenue. Finally, it should be noted that the TMA EHR survey probably suffers from significant selection bias since the bulk of the responses were received electronically. Comparing the EHR adoption rates from the TMA survey to results from broader, more methodologically robust surveys (e.g., DesRoches et al, "Electronic Health Records in Ambulatory Care — A National Survey of Physicians," *New England Journal of Medicine*, Volume 359:50-60. July 3, 2008; Number 1, 2009) suggests that the TMA survey significantly overestimates the actual adoption rate.

- *Hospitals:* The Texas Department of State Health Services, in collaboration with the American Hospital Association and the Texas Hospital Association, conducts the Annual Survey of Hospitals. All 583 hospitals in the state are required to complete the survey, which includes questions about EHR adoption, EHR functions, and physician utilization of electronic ordering. This survey found

that 33% of hospitals in Texas have partially adopted EHRs and 14% have fully adopted EHRs. Of hospitals that have fully or partially adopted, 88% use an EHR that includes patient-level health information, 91% of EHRs include results management, 84% include order entry management, and 72% include decision support. The Annual Survey of Hospitals also collects data on physician use of electronic functions. The data shows that in 82% of Texas hospitals, physicians order medications electronically but in 78% of hospitals, physicians do not order laboratory or other tests electronically. During the state planning process, the THSA, in coordination with HHSC, will work with hospitals to identify hospital-based networks that are currently exchanging or planning to exchange health information with other health care providers outside of their organization to ensure that these exchanges are included in statewide HIE activities.

- *Local HIE Initiatives:* Texas has fourteen local HIE initiatives (sometimes referred to as regional health information organizations or RHIOs) that range from fully operational to planned, in both rural and urban communities with vastly differing needs and stakeholders. (See map and local HIE descriptions attached as Appendix 7.) Some of these HIE initiatives have joined together as the Texas HIE Coalition. Some of the HIE functions that will be required to support meaningful use of EHRs by physicians are offered or being planned by some of the local HIEs in Texas, but none of them appear to currently be offering the full slate of HIE services that will be required for meaningful use. In addition, an exhaustive census of HIEs has not been undertaken. The information presented in the appendix is based on an HIE census that was undertaken by the HCPC in 2009, but was largely collected through stakeholders, social networks, and self-identification. Thus, there may be additional local HIE activity underway that has not yet come to our attention. Furthermore, the actual HIE capabilities of the local HIEs of which we are aware have not been validated by external sources, but rather have been largely self-reported. Given the potential funding available to those involved in HIE, the levels of HIE functionality reported by local HIEs may be skewed upwards from their true

level. The environmental scan to be funded through this program will provide an important validation of, and fill some of the gaps in our current understanding of HIE in Texas.

- *Public Health:* The Texas Department of State Health Services (DSHS) is the central public health agency in Texas providing essential services in disease prevention and control, regulatory, family and community health, mental health and substance abuse, and vital records. DSHS systems support the needs of local public health agencies, DSHS health service regions, and local communities in building and maintaining capacity to provide essential public health services responsive to local needs. DSHS operates state health data systems including a state-wide immunization registry, disease registries (e.g., birth defects, cancer, EMS / trauma) and disease surveillance (e.g., lead poisoning, HIV, TB) which are designed to collect, analyze, interpret and disseminate data on the occurrence of specific diseases in Texas. These systems, reliant on hospital, provider, laboratory, and other local entities' medical record information, are necessary tools for the prevention and control of disease.

During the state planning process, THSA, in coordination with DSHS, will work with local public health agencies to identify public health networks that are currently exchanging or planning to exchange health information with other public health entities or the Centers for Disease Control and Prevention to ensure that these exchanges are included in statewide HIE activities.

- *Emergency Preparedness and Response:* DSHS systems also support emergency preparedness functions. This includes a system for chemical threat analysis reporting and the Public Health Laboratory Information Management System (PH LIMS) modules for Bio Threat and, to a limited degree, Pandemic Influenza testing. PH LIMS Bio Threat data is maintained by Laboratory Response Network facilities across Texas. During the state planning process, the THSA, in coordination with DSHS, will work with emergency responders to identify networks that are currently exchanging or planning to exchange health information with federal, state or local emergency responders to ensure that these exchanges are included in statewide HIE activities

- *Special Needs Populations:* There are a number of state systems maintained by DSHS that provide support for programs designed to benefit special needs populations. Among these are the information systems that support services for newborn screening, children with special health care needs, the supplemental nutrition program for Women, Infants, and Children (WIC), refugee health assessments, and individuals with mental or substance abuse disorders. DSHS also maintains systems for automated medication administration for the state mental health facilities, as well as a regulatory system that supports licensure of substance abuse treatment facilities and chemical dependency counselors across Texas.

The Department of Aging and Disability Services (DADS) maintains a variety of information systems that track or support services and reimbursements for the range of long-term services and supports received by several hundred thousand Texans annually. Services purchased or regulated by DADS include nursing facilities, assisted living centers, and home and community-based support services for individuals with disabilities. DADS contracts predominantly with private providers of these services. DADS also contracts with the state's Area Agencies on Aging (AAAs) and Mental Retardation Authorities (MRAs) to provide services statewide. DADS operate the State Supported Living Centers for individuals with developmental disabilities.

- *Health IT Market:* Texas has a significant number of health IT vendors, including hardware vendors, consulting services, EHR vendors, e-prescribing companies, and many others. These vendors are actively involved in local, state and national efforts in their particular areas of expertise and could easily be brought in to provide technical and other support to HIE efforts in Texas, both statewide and local. The Texas e-Health Alliance, a non-profit, industry-led organization focused on promoting e-Health policy, has recently been formed to allow physicians, hospitals, EHR vendors, and other stakeholders to come together to communicate and share information and best practices.
- *Health Plans and Commercial Payers:* Health plans' electronic claims records today provide a unique view of members' health and health care encounters across the health care system, but completing the

picture will require further collaboration and innovation among all stakeholders in Texas health care. To realize the full benefits of health IT innovation, health plans increasingly are working in partnership with doctors, hospitals, and other health care organizations in their communities to enable HIE. Health plans in Texas, especially those that service Medicaid and CHIP clients, will be engaged in efforts to adopt and promote EHRs for providers.

- *Rural Communities:* Although health care providers serving the rural areas of Texas have not historically adopted new technologies at rates similar to their urban counterparts, there are some interesting HIE initiatives underway in some of Texas' rural counties. For example, the Rural and Community Health Institute at Texas A&M University has been working with numerous rural hospitals on an electronic health care quality reporting and improvement initiative for several years that may have the potential to serve as a component of a broader electronic health information infrastructure. In addition, the State Office of Rural Health, within the Office of Rural and Community Affairs (a state agency) has been working with a network of rural hospitals to implement connected electronic medical records systems.
- *State Government Resources:* In addition to public health and emergency preparedness systems and support, DSHS maintains systems that benefit health care providers and consumers of health information. DSHS systems also support public health care facilities (state hospitals, substance abuse treatment and Community Mental Health centers) and data repositories for vital statistics (e.g., birth, death and divorce records). DSHS has several projects, which are candidates for early successes in the adoption of health IT and HIE. These include:
  - Clinical Management and Behavioral Health Services (CMBHS), which provides an online electronic behavioral health record (EBHR) and data exchange platform for the delivery of services and coordination of care for substance abuse, mental health, and co-occurring disorders.

- Regulatory Automation System (RAS), which supports State Health Regulatory Services, by integrating regulatory activities such as licensing, inspection, compliance, enforcement for approximately seventy public health-related business types and professional categories.
- Deployment of an industry-standard statewide architecture, the Interoperable State Health Network that supports security, interoperability, and broadband access to DSHS health data systems.

HHSC is the single state agency responsible for the Texas Medicaid program and has final authority for Medicaid policies. It operates the Medicaid Management Information System (MMIS), which is a distributed group of procedures and computer processing operations and subsystems. HHSC contracts with a coalition of vendors working under the name of the Texas Medicaid & Healthcare Partnership (TMHP) to provide MMIS services. The contract between HHSC and TMHP authorizes TMHP to provide the necessary services to process and adjudicate Medicaid claims (with the exception of capitated arrangements between health plans and HHSC and pharmacy claims). Texas Medicaid serves a population of approximately 3.6 million unique clients per year and an average of 2.7 million in any given month.

In addition to the MMIS systems operated by TMHP, HHSC contracts with the private sector for the administration of the Medicaid Fraud and Abuse Detection System (MFADS) and the Vendor Drug system. The Vendor Drug system includes two subsystems: the Claims Payment System and the Pharmaceutical Rebate Information Management System. The Medicaid Eligibility and Health Information Program is currently negotiating a contract to develop electronic verification of Medicaid benefits, which includes a Medicaid-wide EHR and the capability for future HIE.

At the statewide level, state agencies use a centralized telecommunications system known as TEX-AN. The network provides an Internet protocol (IP) platform deployed in each region for local access. This shared communications infrastructure is built to provide a robust, resilient, and secure foundation that can deliver voice, video, and data statewide through a single converged system that

utilizes Multi-Protocol Label Switching. This infrastructure provides scalable and secure network architecture that can meet the future needs of the state. TEX-AN provides voice and data services to state agencies as well as other governmental entities such as cities, municipalities, counties, regional education service centers, school districts, and higher education institutions.

### **Proposed Project Strategy**

HHSC, the agency for all health and human services activities at the state level, will serve as the fiscal agent for the State HIE Cooperative Agreement Program and the THSA, a public-private partnership focused on promoting and coordinating HIE, will coordinate the planning process, under contract and with support from HHSC.

#### *Elements of the Planning Process*

It is anticipated that the THSA will hold 4 public Board meetings and monthly work group meetings during the planning process. This planning process will include:

- an environmental scan to assess readiness for HIE implementation and EHR adoption;
- the development of state-level HIE policies, including privacy and consent policies, to be implemented as funding conditions;
- a well-defined vision with goals, objectives, and strategies for achieving HIE capacity and use;
- a legal framework for exchange among local, regional, and statewide HIE;
- an approach for coordinating with Medicaid, Medicare and other federally funded programs, including other ARRA programs;
- technical support for building and enhancing local and regional HIE capacity; and
- a communications strategy to ensure that the Texas health care community is informed of HIE activities across the state, such as the availability of tools to assist physicians and other health care

providers with health IT adoption and HIE, and the process for receiving Medicaid EHR incentive payments.

### *Staffing Strategy*

Aspects of the planning process will be staffed and coordinated by the Office of e-Health Coordination (OeHC) at HHSC, the THSA, and contracted consultants. The OeHC will have a Director, an analyst, and an administrative assistant. The THSA is budgeted for an Executive Director, General Counsel, Associate Director, and Administrative Assistant. It is anticipated that the THSA will be contracting for accounting and legal services in addition to consulting services to support the planning process itself.

### *Coordination Strategy*

The Texas HIE planning and implementation processes will be coordinated closely with other state agency HIT activities including the development of the State Medicaid Health IT Plan, federal health IT activities through ONC and other federal agencies such as the VA and Indian Health Service, and local HIE activities in Texas.

### Coordination with other State Agency HIT Initiatives

The Office of e-Health Coordination (OeHC) at the Texas Health and Human Services Commission (HHSC), led by Stephen Palmer (designated as the State Health IT Coordinator for the purposes of this program) will serve as the primary point of coordination from the state agency perspective. The state Medicaid division also resides in HHSC, which will enable the OeHC to serve as the primary point of coordination between the development of the state HIE plans through this program and the development of the State Medicaid Health IT Plan (SMHP). In addition, because HHSC serves as the umbrella agency for state health and human services (HHS) programs, the numerous other health IT and HIE initiatives being developed or proposed at the state-level will also be coordinated with the state HIE and state Medicaid health IT planning processes through the OeHC. Weekly coordination meetings of the THSA

CEO, the Director of the OeHC, and the Medicaid Health IT Program Manager will ensure coordination between the state HIE plans and the SMHP.

#### Coordination with Federal Health IT Initiatives

Coordination with federal partners will primarily be managed through and by the Director of the OeHC and the Medicaid Health IT Program Manager. In addition to direct communication with the ONC and Centers for Medicare and Medicaid Services (CMS) central office regarding the planning process and progress, the THSA and OeHC will communicate with and invite staff from the regional CMS office, local VA health care officials/staff, and IHS personnel to participate in the planning process. (It should be noted that the Texas tribal population is extremely small, making the IHS presence in Texas similarly small. Due to the proportionally very small size of this population, there has historically been virtually no interaction between IHS and Texas HHS agencies, nor has the need for greater interaction been brought to the attention of state policymakers.)

The Director of OeHC will also serve as the primary point of contact with the ONC, while the Medicaid Health IT Program Manager will serve as the primary point of contact with CMS for the purposes of the Medicaid health IT planning process. Through the OeHC, the state HIE planning process and state Medicaid health IT planning process will also be coordinated with participants in other federal health IT initiatives such as the Health IT Regional Extension Centers (RECs), and potential recipients of Beacon, SHARP, and health IT workforce grants. These individuals and groups will be identified through proactive outreach and coordination activities will be identified jointly.

#### Coordination with Local HIE Initiatives in Texas

The state HIE planning process will include participation from, and coordination with individuals and groups involved in local HIE initiatives in Texas by participating on the THSA workgroups, direct communication between individual HIEs and the OeHC, and communication between the OeHC and the Texas HIE Coalition. In particular, assuming that the planning process moves forward in the anticipated

direction and seeks to build on local HIE activity, it will likely become necessary to establish some state-level technical assistance capacity to assist local HIE initiatives to deliver the level of HIE necessary to allow providers to meet meaningful use requirements. One component of a state-level technical assistance capacity could take the form of a specialized toolkit targeted at leveraging the knowledge of existing local HIE initiatives in Texas and assisting local HIE initiatives in the planning stage. The toolkit could address needs within each of the domains and may include the following:

- Privacy and security tools such as template policies, procedures, tools, and technology approaches related to protecting patient privacy. For example: authorization forms; DURSA; Texas specific Business Associate Agreements; procedures for sharing data, collecting authorizations, revoking authorizations; use of data for research and analytical purposes; best practice approaches to integrating collection of authorizations into business process flow; procedures for sharing sensitive data while protecting patient privacy; electronic collection of authorizations and segmentation of data authorization; use of break-the-glass and other security technology consistent with federal standards.
- Return on investment (ROI) methodology and sustainability tools such as a template, Texas specific policies, procedures, and tools for sustainability that local HIE initiatives can use as they finalize financing models unique to their communities; electronic tools for measuring the ROI for local HIE functionalities.
- Governance tools such as framework for policies, procedures, and tools for building governance models uniquely reflective of community values and designed for sustainability, collaboration, and focus on achieving meaningful use at a local level.
- Technical Infrastructure tools and materials to assist local HIE initiatives in assessing technology needs; managing technology vendor RFP and contracting processes; determining opportunities for collaboration, outsourcing, or group purchasing across other local HIE initiatives and/or the state.

- Use case development tools for assisting local HIE initiatives in identifying and developing approaches to using data that are designed to establish value and achieve meaningful use for community providers; and best practice materials for integrating use cases into the workflow of provider organizations.
- Uninsured and vulnerable population tools such as standardized policies, procedures, tools, and programs to assist local HIE initiatives in sharing data with a wide range of safety net providers such as EMS, mental health providers, and jail health services.
- Personal health records planning such as standardized policies, procedures, tools, programs, and best practices for engaging patients in using their data to help them manage their health.
- Website tools for communication approaches for local HIE initiatives to access technical assistance tools.
- Localized planning issues such as policies, procedures, tools, and best practice approaches to assist local HIE initiatives with localized planning challenges such as:
  - Unique financing and sustainability strategies for small markets;
  - Unique data sharing, competitive, and governance issues for large urban areas challenged with leveraging existing efforts while building collaboration;
  - Unique connectivity challenges for large academic centers caring for uninsured populations from noncontiguous, wide areas of the state; and
  - Unique challenges for rural areas such as access to connectivity and resources necessary to build and maintain technical infrastructure.

Providing technical assistance through the THSA to address these localized issues, could (1) inform the statewide strategic planning process, (2) allow a level of detailed planning not possible at a statewide level, (3) engage local stakeholders in their own planning process, building trust and collaboration locally,

(4) produce approaches and solutions that are scalable statewide and potentially nationwide, and (5) position the state for achieving the ultimate goal—the meaningful use of HIE to improve the quality, safety, and efficiency of healthcare delivered in the state. This task must begin locally, with communities working together to improve the delivery system.

### *Communications Strategy*

This current round of state-level HIE planning represents a logical extension of other efforts stretching back over the last several years. One of the benefits of this continuity is that the communications network relating to HIE planning has been growing organically over time as these different efforts have received publicity. Each of these efforts was undertaken with the goal of including as many stakeholders as possible. As such, in each case, stakeholder email distribution lists were created based on the previous round of planning and all additional, interested parties identified throughout. These lists have been maintained and heavily augmented over the last several years as these planning processes have unfolded, allowing us to have some confidence that we are accessing many, if not most of the potentially interested parties through our communications. Although the particulars of a communications plan for this effort will be determined by the details of the planning process, it is anticipated that they would include, at a minimum:

- Outreach through major stakeholder associations;
- Communication through existing provider relations channels, such as those operated by the state Medicaid program;
- Direct outreach to all interested parties via our extensive email distribution lists; and
- Public website with project and planning details.

### *Stakeholder Inclusion Strategy*

With the recognition that the success of HIE can only be achieved through strong stakeholder buy-in and support, the planning and policy development in Texas has always been undertaken with significant and meaningful stakeholder participation. There have been several iterations of state-level planning activities relating to HIE, starting with the HITAC, through the THCSIP, on to the THSA. These planning bodies, in addition to being populated by stakeholders, were also supported by numerous advisory committees, subcommittees, and workgroups, all of which were populated by stakeholders.

The state HIE planning process, to be coordinated by the THSA and funded through the State HIE Cooperative Agreement Program, will be a stakeholder-oriented process. The THSA board itself, by its statutory constitution, is broadly representative of the stakeholders in the health care sector, and the THSA workgroups that have recently been named are composed of stakeholders (workgroup members and affiliations attached as Appendix 8.) In particular, the participation from a partial selection of stakeholders is as follows:

#### Health Care Providers

Health care providers, including providers that provide services to low-income and underserved populations, are well-represented in our planning process through the participation of the Texas Medical Association, Texas Hospital Association, Texas Association of Community Health Centers (representing Federally Qualified Health Centers), and Texas Organization of Rural and Community Hospitals (representing rural hospitals and Critical Access Hospitals). In addition, some members of the THSA workgroups are, or represent providers who provide care to low-income and underserved populations.

#### Health Plans

Health plans are represented on the THSA board and THSA workgroups. Points-of-contacts with all of the major commercial health plans operating in Texas, and their industry association, the Texas

Association of Health Plans, are included in the primary health IT and HIE email distribution lists used for this effort.

#### Patient or Consumer Organizations

The THSA explicitly has a consumer representative on the board (in fact, the chair). In addition, patient/consumer organizations are represented on the THSA workgroups, in particular the Privacy and Security workgroup, which includes a representative of Patient Privacy Rights. In addition, other patient/consumer organizations including AARP are included on the email distribution lists being used for this effort.

#### Health IT Vendors

Health IT vendors are represented on the THSA board and workgroups. Individual vendors that have been involved with the Texas planning effort in the past or expressed interest are also included on the email distribution list being used for this effort, as are the Health Information Management and Systems Society and the Texas e-Health Alliance (a Texas-based health IT industry association).

#### Health Care Purchasers and Employers

In addition to the inclusion of health plans, which often act as agents for employers or individuals in the purchase of health care, business organizations, including the Texas Association of Business and the National Federation of Independent Business – Texas, are also included on the email distribution list being used for this effort, as are several other employers who have been involved in these efforts historically or expressed interest.

#### Public Health Agencies

Through the OeHC at HHSC, this planning process will coordinate with, and include the primary Texas public health agency, DSHS, which is a component agency of HHSC. DSHS also has two ex-officio members of the THSA board and is represented on THSA workgroups.

### Health Professions Schools, Universities, and Colleges

The THSA board and several workgroups include representatives from Texas' health professions schools, universities, and colleges. In addition, several of Texas' local HIE efforts include health professions schools as participants and a number of representatives from Texas' health professions schools are included on the email distribution list being used for this effort.

### Clinical Researchers

In addition to communicating directly with many health services researchers here in Texas who have worked on health IT-related research, through the existing university points of contact and coordination between the THSA and OeHC, this planning effort will communicate with the several university awardees under the National Institute of Health's Clinical and Translational Science Awards program.

### Other Users of Health IT

As we proceed through the planning process, we will evaluate the potential opportunity to include other types of stakeholders in the planning and implementation processes, such as the support and clerical staff of providers and others involved in the care coordination of patients.

### *Population Inclusion Strategy*

Through the involvement of the OeHC at HHSC, the state agencies and programs representing many different underserved, special needs, and vulnerable populations will be included in the planning process. Inclusion of these agencies and programs in the planning process will ensure that the interests of these underserved, special needs, and vulnerable populations will be included within the broader HIE planning and implementation process. In particular, the following agencies, programs, and populations will be included in the planning process:

- *Department of State Health Services* – Includes the newborn screening program; Children with Special Health Care Needs program; Early and Periodic Screening, Diagnosis, and Treatment program; and state mental health and substance abuse programs (among others.)
- *Department of Aging and Disability Services* – Includes long term care programs for the elderly, physically disabled, and developmentally disabled.
- *Department of Assistive and Rehabilitative Services* – Includes programs for deaf, blind, multiply disabled, and traumatic brain injuries.

In general, Texas state agencies do not have active and explicit dealings with tribal health or the Indian Health Service (IHS) due to the proportionally very small tribal population in Texas. (Unlike some of our neighboring states that have proportionally significant tribal populations, the Texas HHS agencies and programs do not have tribally-oriented program components.) However, we will make an effort to establish necessary contacts with any IHS facilities and tribal representatives to evaluate the potential benefit and opportunity for coordination.

#### *Priorities Identified During Development of Application*

In addition to the several long-standing principles that have guided state-level planning and policy development relating to health IT and HIE in Texas over the last several years, several additional concepts have been recommended for potential inclusion among the principles guiding this planning process:

- Support the meaningful use of electronic health records by providers.
- Consumers with special needs (e.g., children in foster care, patients in long term care facilities, and clients with mental illness) also need to be considered as part of a privacy and security framework.

This will help ensure that the consumer's health care information is both accessible to those who need

access to the information at the moment that they need it, and that this information is reliable for the client and health care providers who need to use it for clinical decision-making.

- Improved data collection and information sharing for the purpose of transforming the delivery system and providing more efficient, better quality care by producing meaningful information for all parties involved can be a critical catalyst to effectively improving the delivery of care in a community. With stakeholders routinely producing reports regarding their own data, value is created with HIE by producing valuable information across entities. Examples in which HIE can provide unique information are:
  - Utilization reporting: high emergency room users, re-admission rates across stakeholders, and unnecessary use of high-cost services. This data can support development of community-wide care coordination and other programs targeted at reducing high use of emergency rooms (ERs) and providing care for individuals in more appropriate settings.
  - Surveillance reports: outbreaks of communicable diseases, immunization patterns. This data supports public health department efforts to address disease outbreaks, reduce health disparities, target disease prevalence, and track prevention through immunization.
  - Analytics reports: historical trending, disease prevalence determinations, co-morbidity impact studies, etc. This data can be useful in identifying and addressing community wide gaps and barriers to service, particularly for vulnerable and uninsured populations.
- HIE design must be flexible to allow for changes in how EHRs are constructed, while adhering to national standards that will facilitate information sharing. Future EHRs will likely separate data (allowing input from registries and personal health records), applications (allowing calculations to be done by web services), and presentation (allowing physicians to customize their user interface much like customizing a homepage).

- Conduct business in a transparent manner with public input. The ONC has made it clear that the ultimate objective of health IT and HIE is high quality and effective patient care. With the growing concerns about patient privacy and development of data ‘silos’, the need for building trust and adherence to strong privacy standards must be a core objective of the State plan. HIE initiatives to date have been grassroots efforts, initiated by local health care providers, community leaders and/ or public health entities and very focused on specific goals. A general appreciation for the value of shared data records often is balanced against the concerns of releasing data to like entities, as a loss of control is perceived. Local HIE initiatives have seen the value of collaboration among providers and extensive communication with the public. With those conditions in mind, entities engaged in HIE have a critical charge to build trust by operating transparently and in close collaboration with all local, state, and federal stakeholders.

*State HIE Planning Entity – the Texas Health Services Authority*

The THSA was created during the 80th Regular Session of the Texas Legislature in 2007, as a public-private partnership to serve as a focal point for the coordination and promotion of health IT and HIE. The THSA is legally structured as a non-profit corporation and is charged with promoting and coordinating the secure electronic exchange of health information to support patient care. The THSA is governed by a 12-member board of gubernatorial appointees, the composition of which is outlined in statute. It is required to be a multi-stakeholder group of individuals who represent consumers, clinical laboratories, health benefit plans, hospitals, regional health information exchange initiatives, pharmacies, physicians, and rural health providers. (The Board members and their affiliations are attached as Appendix 9.)

Currently, THSA staff services are provided by the HCPC staff in the Office of the Governor. HHSC plans to establish a contract with the THSA to manage and monitor the flow of funds and ensure completion of work activities supported by the state HIE program. Through these funds, the THSA will hire dedicated staff to coordinate the development of state strategic and operational plans. This staff, as

outlined in the proposed budget, will include an administrative assistant, general counsel, an associate director, and an Executive Director or CEO. In December the THSA released a CEO position announcement and plans to fill this key leadership position as soon as funding is made available (posting attached as Appendix 10.) In addition to hiring dedicated staff, the THSA Board is in the process of procuring consulting services to support the workgroup process, assist in the development of options, and draft the plans (Request for Qualifications attached as Appendix 11.) The THSA Board intends to finalize the selection of a consulting firm at its January 28 meeting.

### *State HIE Planning Workgroups*

Through an open and participatory state planning process, the THSA will develop strategic and operational plans. In November, 2009, the THSA Board held a public meeting where the statewide collaborative planning process was approved. Four work groups were developed including a Governance and Finance work group, a Technical Infrastructure Work Group, a Privacy and Security Work Group, and an Electronic Health Record Adoption and Consumer Engagement Work Group. These work groups will develop consensus around policy options related to the strategic and operation plans. The policy questions work groups will consider directly address the issues identified in Appendix B of the Funding Opportunity Announcement. Specifically, the charges from the THSA board to the workgroups and their preliminary work plans are as follows (the preliminary work plans are currently mapped across only the first two months of the planning process since it is anticipated that the workgroups will begin to interact and react to each others' work by the middle of the planning process):

#### Governance and Finance Work Group

The role of the Finance and Governance Work Group is to develop options on how HIE in Texas should be structured and sustained. This work group will offer options to the THSA on: (1) a collaborative governance structure with local and regional HIE organizations that ensures accountability and transparency; (2) the governance role of local and regional HIEs in the governance structure, taking into

account that there are areas in Texas that are not currently served by a local or regional HIE; and (3) a well-defined vision with goals, objectives, and strategies for leveraging local and regional HIEs and building and enhancing local HIE capacity. The work group will also offer options on a business model for state-level HIE operations based on functional priorities.

<b>Key Questions to Address and Timeline</b>
<i>February</i>
<ul style="list-style-type: none"> <li>• Vision with goals, objectives, and strategies               <ul style="list-style-type: none"> <li>○ What goals and objectives are necessary to support the THSA vision?</li> <li>○ What strategies should be discussed for leveraging local and regional HIE?</li> </ul> </li> <li>• State and local accountability and transparency               <ul style="list-style-type: none"> <li>○ What accountability and transparency policies are appropriate for state and local HIEs?</li> </ul> </li> <li>• Funding statewide HIE and HIE business plan               <ul style="list-style-type: none"> <li>○ How should statewide HIE be funded after the American Recovery and Reinvestment Act?</li> </ul> </li> <li>• Policies and procedures to enable exchange               <ul style="list-style-type: none"> <li>○ What are options for policies and procedures to enable exchange?</li> </ul> </li> </ul>
<i>March</i>
<ul style="list-style-type: none"> <li>• Plan for funding local HIE activity               <ul style="list-style-type: none"> <li>○ How should identified statewide HIEs be categorized based on the presence or absence of local HIE operations, governance, collaboration, or capacity?</li> <li>○ What are options for a local funding formula?</li> <li>○ What policies should HIEs adopt to be eligible for state funds?</li> <li>○ What are options for performance measures and evaluation process for local HIEs?</li> </ul> </li> <li>• Developing toolkit and other resources for local HIEs               <ul style="list-style-type: none"> <li>○ What technical and legal support needs do local HIEs have?</li> </ul> </li> <li>• THSA process reforms and governance               <ul style="list-style-type: none"> <li>○ Based on the issues identified by the work groups, what structures are needed to support ongoing role of the THSA?</li> <li>○ What process reforms are necessary for the THSA to carryout statewide HIE function?</li> </ul> </li> </ul>

Technical Infrastructure Work Group

The role of the Technical Infrastructure Work Group is to develop options on what health information should be exchanged and how it should be exchanged in Texas. The work group will offer options for statewide technology standards in a number of areas, including consent, privacy, security, interoperability and data-sharing, and deciding what information should be exchanged specifically to support the meaningful use criteria.

<b>Key Questions to Address and Timeline:</b>
<i>February</i>
<ul style="list-style-type: none"><li>• Information exchanged through local and statewide HIE<ul style="list-style-type: none"><li>○ What information should be exchanged through local and statewide HIE to meet meaningful use criteria and statewide goals?</li></ul></li><li>• Issues for ongoing THSA involvement<ul style="list-style-type: none"><li>○ What technical and infrastructure issues should be ongoing responsibilities of the THSA?</li></ul></li></ul>
<i>March</i>
<ul style="list-style-type: none"><li>• Technology standards<ul style="list-style-type: none"><li>○ What technology standards are needed to support statewide exchange consistent with privacy, security, and interoperability options identified by other work groups?</li></ul></li><li>• Data and technical approach used for statewide exchange<ul style="list-style-type: none"><li>○ What approach should be used for statewide exchange based on statewide HIE described in the Texas HIE Cooperative Agreement Program Application?</li><li>○ What technical operations should occur at the state and local levels and how should they connect?</li><li>○ What state-level architecture is necessary to connect to the Nationwide Health Information Network?</li></ul></li></ul>

Privacy and Security Work Group

The role of the Privacy and Security Work Group is to develop options on how to ensure sensitive health information exchanged is secure and remain private in alignment with state and federal laws and rules.

The work group will identify federal and state laws and rules pertaining to privacy and security, and offer

options on the policies and procedures necessary to enable information exchange while ensuring the public’s trust and confidence in the security of their health information. The work group will also offer options on how the state should address noncompliance with federal and state laws and rules.

<b>Key Questions to Address and Timeline:</b>
<i>February</i>
<ul style="list-style-type: none"> <li>• HIE security standards that statewide and local HIEs should follow               <ul style="list-style-type: none"> <li>○ What level of patient consent do patients want?</li> <li>○ What level of patient consent is appropriate for state and local HIEs?</li> </ul> </li> <li>• Enforcement               <ul style="list-style-type: none"> <li>○ What are enforcement options for the state?</li> </ul> </li> <li>• Issues for ongoing THSA involvement               <ul style="list-style-type: none"> <li>○ What privacy and security issues should be an ongoing obligation of the THSA?</li> <li>○ Who will be responsible for the ongoing development of policy requirements?</li> </ul> </li> </ul>
<i>March</i>
<ul style="list-style-type: none"> <li>• Policies and process               <ul style="list-style-type: none"> <li>○ Are there policies or processes the THSA can endorse to ensure that privacy and security policies are consistently applied and well understood?</li> <li>○ How will statewide health information exchange comply with all applicable federal and state legal and policy requirements?</li> </ul> </li> <li>• Trust Agreements               <ul style="list-style-type: none"> <li>○ What trust agreements are necessary between and within HIEs?</li> </ul> </li> </ul>

Electronic Health Record Adoption and Consumer Engagement Work Group

The role of the EHR Adoption and Consumer Engagement Work Group is to develop options on how to promote greater use of EHRs and how electronic health information could be used by consumers.

This work group will offer options on ways to support provider adoption of EHRs in collaboration with the federal Health Information Technology Regional Extension Centers (RECs). The group will also offer options on how to ensure active consumer involvement in Texas HIE efforts, including strategies to include consumers in THSA work groups and decision-making process and consumer education and

outreach

<b>Key Questions to Address and Timeline:</b>
<i>February</i>
<ul style="list-style-type: none"><li>• Supporting provider adoption efforts<ul style="list-style-type: none"><li>○ What are some options for the THSA to promote and support provider adoption?</li><li>○ What are some options for the role the THSA can play in HIT workforce development?</li><li>○ How should the THSA work in collaboration with the RECs?</li></ul></li><li>• Ongoing issues for THSA involvement</li></ul> <p>What consumer engagement and provider adoption issues should the THSA continue to address after the planning period?</p>
<i>March</i>
<ul style="list-style-type: none"><li>• Engaging consumers in the Texas HIE decision making process<ul style="list-style-type: none"><li>○ How can the THSA ensure consumer involvement in Texas HIE efforts?</li><li>○ What are some strategies to include consumers in the THSA work groups and decision making processes?</li></ul></li><li>• Consumer education and outreach<ul style="list-style-type: none"><li>○ What consumer education and outreach should be developed?</li></ul></li></ul>

In December, THSA staff solicited nominations to the work groups from individuals and stakeholders. To date, over 110 applications have been received from a diverse group of representatives. (The preliminary workgroup membership is detailed in Appendix 8.)

#### *Framework for the HIE Strategic and Operational Plans*

The chart below outlines work that needs to be undertaken as part of the development of the strategic and operational plans. It also identifies work groups that will be responsible for considering issues and developing options for consideration by the Texas Health Service Authority (THSA). Work groups will coordinate with one another to develop compatible options and coordinated work plans.

Issues to Consider in Planning Process	Responsibility
<p><b>Background</b> The strategic plan will describe the THSA, which will serve the governance &amp; coordination function of statewide HIE, &amp; identify the state Health IT Coordinator.</p>	Staff
<p><b>Environmental Scan</b> The strategic plan will identify existing HIE capacity, resources, &amp; collaborative opportunities.</p>	Staff
<p><b>Program Coordination</b> The strategic plan will address coordination with Medicaid, Medicare, &amp; federally funded state-programs. It will also address coordination with related ARRA programs including regional centers, workforce development, &amp; broadband.</p>	Staff
<p><b>State-level HIE Standards</b> The strategic plan will address the development of policy in a number of areas including consent &amp; privacy, security, interoperability &amp; data sharing, &amp; deciding what health information should be exchanged specifically to support the meaningful</p>	Technical
<p><b>Legal</b> The strategic plan will identify federal &amp; state laws &amp; rules pertaining to privacy &amp; security, address the development of policies &amp; procedures necessary to enable information exchange, &amp; discuss how the state should deal with issues of noncompliance.</p>	Privacy & Security
<p><b>HIE Administrative Considerations</b> The strategic plan will address accountability &amp; transparency in the THSA's governance structure &amp; layout a well-defined vision with goals, objectives, &amp; strategies for achieving HIE</p>	Governance & Finance
<p><b>Develop Strategy for Leveraging Local HIEs</b> The strategic plan will develop strategies for leveraging local &amp; regional HIEs &amp; enhancing local capacity.</p>	Governance & Finance
<p><b>State-level HIE Operations</b> Develop technical specification &amp; business model for state-level HIE operations base on functional priorities.</p>	Governance & Finance
<p><b>Provider Adoption</b> Develop ways to support provider adoption of electronic health records (EHRs) in collaboration with the federal Health Information Technology Regional Extension Centers.</p>	EHR Adoption & Consumer Engagement
<p><b>Consumer Engagement</b> Develop educational &amp; outreach strategy for consumers &amp; ensure consumer inclusion in THSA decision-making processes.</p>	EHR Adoption & Consumer Engagement

## *The Pathway to HIE*

A sustainable and productive HIE plan for Texas must necessarily address the five domains of HIE identified by ONC in the Funding Opportunity Announcement (FOA) for this program – governance, finance, technical infrastructure, business operations, and legal and policy. However, at this point, prior to the beginning of this round of state-level planning, it is too early to identify specific policy options within each of the domains that the state will definitively pursue. Within each of the domains, and across each of the THSA workgroups, a number of different options will be considered. Generally, the options considered by the workgroups within each of the domains will be identified initially by the consultants by reviewing the relevant literature and researching similar initiatives in other states and regions. Thus, the options to be considered by the THSA workgroups and ultimately the board should represent a meaningful set of the options that have been identified as successful in practice or anticipated to be successful in theory.

The pathway to HIE that Texas proposes to pursue as part of its planning, implementation, and evaluation across the five critical domain areas described in the FOA is outlined below (although the THSA workgroups do not align directly with the five domains of HIE as described by the ONC, all of the planning and policy development tasks associated with the five domains are encompassed within the scopes of the four THSA workgroups).

### Governance

The THSA, with its broadly representative board and focus on promoting and coordinating health IT and HIE, is already structured as a state-level governance structure for health IT and HIE in Texas. However, in the absence of active, state-level HIE operations, the THSA is currently more appropriately considered a governance structure for statewide HIE *planning*. The strategic and operational plans that are developed through the planning process will include a governance structure for statewide HIE *operations*.

Therefore, rather than assuming that the THSA will serve as the ultimate governance structure for health

IT and HIE in Texas, the statutory framework for the THSA's governance structure will provide a starting point for consideration of state-level HIE governance, with modifications or the creation of additional governance elements possible. In particular, through the planning process, the THSA will identify any necessary changes in its statutory constitution to ensure the most appropriate representation, develop additional governance elements to ensure transparency and accountability, and develop appropriate links to local HIE initiatives and their governance structures. The four THSA work groups will contribute to this process by identifying HIE issues that will need to be addressed on an ongoing basis and identify options for the creation of new standing committees or permanent work groups.

### Finance

Local and regional HIE organizations in Texas are currently addressing sustainability issues as they operate and/or plan for start-up. Sustainability models in use in Texas generally fall into two categories and include mixtures of the two—member fees and transaction fees. Grant funds for research activities have also been accessed to support some HIEs. the THSA will work with stakeholders during the planning stage to develop practical, Texas-specific tools for sustainability models that the local initiatives can use as they finalize sustainability models for their communities. In previous meetings the THSA has considered sustainability models but no final decisions were ever made. During the planning process the THSA will work with stakeholders through the Governance and Finance Work Group to develop a sustainable business plan for state-level HIE.

Long-term viability can only be attained if the stakeholders and the community at large receive value from the provided services. An HIE needs to be positioned not as a cost but as a cost saving. The development of HIE in Texas will need to be coordinated with the emerging federal EHR incentive programs to ensure that Texas providers are able to make meaningful use of their EHRs. The meaningful use requirements are designed to demonstrate and measure the types of value to the local community for which stakeholders may be willing to pay, including:

- Reduction in unnecessary emergency department visits;
- Avoidance of replicate medical procedures;
- Increased efficiency in patient care due to ready availability of patient history including immunization information;
- Identification of chronic disease prevalence and the delivery of pro-active care through targeted interventions;
- Increased education and information to increase self management of multiple health conditions; and
- Reduced administrative costs.

#### Technical Infrastructure

The planning process will necessitate determining the appropriate technical infrastructure model for state-level and local/regional functionality to support data exchange necessary to achieve meaningful use. The THSA Technical and Infrastructure Work Group will develop options on what health information should be exchanged and how it should be exchanged in Texas. The work group will offer options for statewide technology standards in a number of areas, including consent, privacy, security, interoperability and data-sharing, and deciding what information should be exchange specifically to support the meaningful use criteria.

Since no single technology will work for the size of Texas, the THSA will also need to address the limitations of current technologies and encourage supporting technologies as they evolve. For example, the use of centralized or hybrid models may be more appropriate at the local level. Databases present in the centralized and hybrid models support the types of community-wide analysis of utilization patterns that can identify gaps in the delivery system and support reforms to address these gaps. Using data in this way will help local communities achieve meaningful use, particularly in care coordination functionality. For example, analysis of emergency room utilization over time and across the community can identify the

specific characteristics of frequent users of the emergency room, enabling communities to better design targeted interventions to address gaps as well as to use the data to measure and evaluate effectiveness.

Through the planning process, specific high-priority HIE use cases will need to be identified and subsequently emphasized for initial development or support to ensure that HIE activities in Texas are developing toward common goals, particularly with respect to the support of meaningful EHR use by providers.

### Business Operations

The state will need to complete the basic components of the strategic plan, such as an environmental scan to assess statewide HIE readiness and identify which current HIE capacities can be leveraged or need to be expanded, especially in rural and medically underserved areas. This effort will be consistent and coordinated with the planning effort for DSHS and local public health agencies, and the Medicaid Health IT strategic planning process that is required as part of the establishment of an EHR incentive process.

In working with the health IT RECs, the THSA also needs to ensure workflow friendly and efficient business processes for physicians, hospitals and other health care service providers. For consumers, this also entails a review of appropriate language and literacy levels in written materials to accommodate the diverse citizens of Texas.

### Legal and Policy

As has often been stated, the legal framework that governs electronic health information is a complex patchwork of state and federal statutes, regulations, policies, and practices that is very difficult to navigate. In addition, it was largely developed to govern health information in a non-electronic environment. As such, the existing legal framework that will govern HIE is both antiquated, and overly complex. Therefore, it will probably be necessary to develop a new set of privacy policies to govern HIE as it will be funded and coordinated through this initiative. A new set of privacy policies such as this

would need to be consistent with the existing legal framework and should protect individual privacy while still enabling HIE. Initially, any new privacy policies such as this would not have the force of law, but would need to be promulgated and enforce contractually. Eventually, however, if the development of such policies through this planning process is seen to be legitimate and useful, such policies could be placed into law by the legislature or state regulatory bodies.

During the state planning process, the THSA will establish a privacy and security framework for the exchange of health information within local HIE networks, between local HIE networks, and with other appropriate entities. The Privacy and Security Work Group is charged with identifying options for policies and procedures necessary to enable information exchange while ensuring the public's trust and confidence in the security of their health information. Privacy and security are already important functions within the health care sector; however, the privacy and security of HIE compels a separate and more specialized set of requirements. Therefore, the THSA will coordinate with HHSC to identify appropriate privacy and security policies for HIE in Texas and assess the impact of ARRA privacy and security provisions on the health care sector, including its providers and business associates across the state. The development of privacy and security policies through this planning process will build on the substantial and substantive work that has already been done in this area through the Office of the Attorney General and its massive HIPAA preemption analysis and the work done by the University of Houston Health Law and Policy Institute and its work on the second round of the Health Information Security and Privacy Collaboration's Harmonizing State Privacy Law collaborative. In addition to developing privacy and security policies, the THSA will need to evaluate state data reporting exemptions and assess state laws and other operational policies for changes or clarification.

### **Reporting Requirements**

During the state planning process, HHSC and the THSA will develop reporting requirements in accordance with the terms of this cooperative agreement program. HHSC will ensure that appropriate

methodologies and tools are developed in the first several months to collect performance data in accordance with the core set of reporting requirements as follows:

#### *Governance*

- Proportion of the THSA that is represented by public and private stakeholders, including Medicaid, public health, hospitals, employers, providers, payers and consumers.
- Types of providers included on governance board and workgroups
- Schedule for completion of environmental scan (once Cooperative Agreement finalized; anticipated mid-2010.)
- THSA development and adoption of a state plan within 6-8 months of the start date of the cooperative agreement that includes a strategic HIE plan and an operational plan that details how the strategic plan will be executed.
- Schedule for implementation of operational plan (once planning process is complete; anticipated mid-2010 through 2013.)
- How THSA meetings are posted and open to the public, including other venues for public input such as the HHSC HIE Advisory Council established by state law.
- How local HIE initiatives participate in the THSA's governance role.

#### *Finance*

- How HHSC and the THSA developed and implemented financial policies and procedures consistent with state and federal requirements.
- How the THSA plans to receive revenue from both public and private organizations.
- Proportion of funding sources that are obtained from federal assistance, state assistance, other charitable contributions, and revenue from HIE services.

- THSA's business plan, including a financial sustainability plan.
- HHSC's and the THSA's quarterly review of the budget.
- How HHSC complies with the single audit requirements of OMB.
- How the THSA intends to secure a revenue stream to support sustainable business operations throughout and beyond the performance period.

#### *Technical Infrastructure*

- How the THSA intends to develop and maintain a statewide technical architecture for HIE.
- How the statewide technical infrastructure will integrate with the HHSC MMIS and with local HIE networks.
- Proportion of healthcare providers in the state that send and receive electronic health information using components of the statewide HIE technical infrastructure.

#### *Business and Technical Operations*

- How technical assistance is made available to health care providers and local HIE initiatives.
- How the THSA is monitoring and planning for remediation of HIE as needed.
- Percentage of health care providers with access to broadband.
- How statewide shared services and technical resources will be developed and implemented to address business and technical operations.

#### *Legal/Policy*

- How the THSA and HHSC developed and implemented privacy policies and procedures consistent with state and federal requirements.
- How the THSA is handling trust agreements.

- How privacy and security policies, procedures and trust agreements incorporate provisions that allow for the use of public health data.

#### *Operational Phase*

- Percent of providers participating in HIE services enabled by statewide directories or shared services.
- Percent of pharmacies serving people within the state that are actively supporting electronic prescribing and refill requests.
- Percent of clinical laboratories serving people within the state that are actively supporting electronic ordering and results reporting.
- Impact on eligibility and claims processing times.
- Number of claims denials.
- Number of electronic labs ordered.
- Number of electronic prescriptions sent.

#### **Project Management**

In addition to hiring staff for the THSA as described in the project summary under Governance, HHSC recently established the OeHC as the single point of contact for the HHS enterprise with authority to direct change as appropriate to bring about innovation. For the purpose of this cooperative agreement program, its director, Stephen Palmer, will be the State Health IT Coordinator. In addition, the proposed budget includes funding for a business analyst and administrative assistant to support the OeHC. (A chart illustrating this organization is attached as Appendix 12.) As part of the HIE State Plan, the roles and responsibilities of the THSA, OeHC, and consultants will be clearly delineated.

The OeHC will be responsible for the day-to-day oversight of HHSC health IT and HIE initiatives and projects, including the State HIE Cooperative Agreement Program. These functions include:

- *Development of a Project Management Capacity:* Through the consulting services currently being procured by the THSA, a project management office (PMO) and formal project plan will be established.
- *Effective Change Management:* EHRs and HIE are relatively new areas of focus for Texas. This centralized organizational structure is being established to govern EHRs and HIE activities, to bring all stakeholders together as outlined in ARRA and other national health-care reform efforts, and to coordinate the administration of EHR incentive payments to providers. In addition, the Office of e-Health Coordination will provide oversight of federal and state grant proposals, including the administration of coordinated processes for proposals, applications, evaluation, and reporting.
- *Collaboration and Integration with Internal and External Health Care Stakeholders:* An additional responsibility of the OeHC will include developing working relationships with physicians and other health care providers and advocacy groups, as well as maintaining a knowledge repository of local, state, and national initiatives. To effectively lead collaborative activities and integrate health care stakeholders across Texas and the nation, the HHSC needs to stay informed and involved on e-health issues and present a single and consistent enterprise-wide vision.
- *Ensuring Privacy and Security of Health Information:* Privacy and security are already important functions within HHSC; however, the privacy and security of HIE compels a separate and more specialized set of requirements. The OeHC will provide this very important set of skills and expertise to support HIE and assess the impact of ARRA privacy and security provisions as they impact the HHS enterprise.
- *Governing and Managing Multiple Interrelated Initiatives:* Working with the THSA, the OeHC will also play a leadership role as chair of a new HHSC e-Health Governance Council by coordinating EHR and HIE projects throughout the multiple divisions of HHSC to ensure their successful integration.

## **Evaluation**

HHSC has not yet defined the methods, techniques and tools that will be used to track and maintain project information required for Texas to conduct an evaluation of the overall success of the State HIE Cooperative Agreement Program. However, during the strategic and operational planning process, these processes will be defined in accordance with ONC requirements.

## **Organizational Capability**

Currently, HHSC agencies spend nearly \$30 billion per year to administer more than 200 programs, employ 48,000 state workers, and operate from more than 1,300 locations across the state. Specific to Medicaid, in state fiscal year 2007, state/federal funds for Medicaid were 26.2% of all state expenditures.

The five health and human service agencies are:

- Health and Human Services Commission: Its mission is to provide leadership and direction, and foster the innovation needed to achieve an efficient and effective health and human services system for Texans.
- Department of Family and Protective Services: Its mission is to protect children, the elderly, and people with disabilities from abuse, neglect, and exploitation by working with clients, families, and communities.
- Department of Assistive and Rehabilitative Services: Its mission is to work in partnership with disabled individuals and families with children who have developmental delays to improve the quality of their lives and to enable their full participation in society.
- Department of Aging and Disability Services: Its mission is to provide a comprehensive array of aging and disability-related services, supports, and opportunities that are easily accessed in local communities.
- Department of State Health Services: Its mission is to improve health and well-being in Texas by administering and regulating public health and behavioral health programs.