

TEXAS HEALTH SERVICES AUTHORITY

Strategic Direction Options

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Summary

Respondents to the request for information (RFI) put out by the Texas Health Services Authority (THSA) identified several potential roles that the THSA could play in support of its statutory charge to promote and coordinate the electronic exchange of health information throughout the state. Potential roles identified by respondents include direct provision of health information exchange (HIE) services, support of local HIE initiatives, promotion of health information technology (HIT), and promotion of HIT standards. The THSA Board has the opportunity to embrace any or all of these potential roles and, within each role, to set the strategic direction for the THSA.

Future Direction

Implicit within each of the potential roles for the THSA are funding options, challenges, and decisions regarding strategic direction.

Statewide HIE services

The THSA could directly provide HIE services such as medication history delivery or clinical patient summary delivery or could develop HIE support functions such as a record locator service or common provider authorization and authentication. The most tenable starting point would probably be the development of a statewide medication history delivery service beginning with initial pilot sites or regions.

Funding options

- Transaction fees – If a medication history or patient clinical summary delivery mechanism is developed, it could be funded through transaction fees paid by health plans or hospitals. One option would be to require payment by health plans for delivery of data to the ambulatory setting and payment by hospitals for delivery of data to the hospital setting (to be used to support medication reconciliation.)
- Pay-for-use fees – Since providers in the ambulatory care setting may have little incentive to use electronic medication history or patient clinical summary information, additional incentive payments to providers by health plans could be considered to encourage adoption and use.
- Initial investment – Funding for the initial development of an electronic medication history or patient clinical summary function may be possible through private capital if the

downstream revenue could be assured. Other options for initial development costs include investment by industry groups such as hospitals or health plans.

- Grants or appropriations.

Major Challenges

- Financing.
- Adoption/use of HIE services by providers.
- Coordination with other statewide and local HIE activities.

Strategic Decisions

- Should the THSA pursue the development of state-level HIE services? Which ones?
- Should staff develop a draft RFP for state-level HIE operations/services?
- Should staff begin to work with hospitals and/or health plans to identify the feasibility of different fee and investment options for the development and operation of state-level HIE services through the THSA?
- Should staff identify options for coordinating, and begin to coordinate, with other statewide HIE activities (e.g., through the Texas Health Information Network Collaboration or the Health and Human Services Commission health passport)? This process would likely begin with a formal letter from the Board's president and continue with staff-level dialog, which would result in formal options for the THSA Board to consider.

Local HIE support (coordination and promotion of local HIE initiatives)

The THSA could support local HIE initiatives (i.e., regional health information organizations [RHIOs]) through direct financial or technical support or policy coordination and promotion. Preliminary activities in this direction could include the development of a RHIO registry/census and the identification of specific ways to work with local HIE initiatives.

Funding options

- Transaction fees – Few transaction-based revenue models readily apparent.
- Membership/subscription fees – Might be a possibility if an appropriate group of stakeholders were to be identified.
- Private sector support – Direct investment by health plans or hospitals.
- Grants or appropriations.

Major Challenges

- Financing.

Strategic Decisions

- Should the THSA actively support local HIE initiatives and, if so, how?
- Should staff work with local HIE initiatives to develop a call for proposals that would give them the opportunity to identify a relationship between them and the THSA?
- Should staff work with local HIE initiatives to develop a set of principles or policies for RHIOs operating in Texas?
- Should staff include this set of activities and services in conversations with stakeholders about funding THSA activities?

HIT adoption (coordination and promotion of HIT adoption)

The THSA could promote the adoption of clinical health IT tools such as electronic health records and electronic prescribing by coordinating incentives or providing direct financial support to providers or facilities. Coordinating an electronic prescribing adoption initiative across multiple payers could be a reasonable first step for the THSA in this direction.

Funding options

- Reimbursement policy – Coordinated multi-payer changes in reimbursement policy could substantially change the financial incentives faced by providers contemplating an investment in health IT.
- Industry investment – One or another industry within the health care sector might find it worthwhile to invest in the necessary administrative infrastructure at/through the THSA to support a coordinated health IT adoption incentive program.
- Grants or appropriations.

Major Challenges

- Workflow – Providers may hesitate to adopt health IT tools because of concerns about changes to their workflows.
- Reimbursement/cost – Providers may not see a financial benefit to be gained from an investment in health IT. Changes in reimbursement policy might be necessary to align financial incentives.

Strategic Decisions

- Should the THSA promote health IT adoption and, if so, which types of health IT and how?
- Should staff include this set of activities and services in conversations with stakeholders about funding THSA activities?

- Should staff develop specific options for promoting health IT adoption for consideration by the Board? (Beginning with electronic prescribing?)

Standards (development and promotion of standards for data exchange, privacy, and security)

The THSA could promote federal data standards or develop privacy and security standards or policies. Endorsement of federal data standards and industry-standard health information security standards would be reasonable first steps for THSA in this direction.

Funding options

- Limited options – There are few obvious options for direct funding unless there is industry or state interest.
- Industry investment – One or another industry within the health care sector might find it worthwhile to invest in the promotion of health IT data, security, and privacy standards.
- Grants or appropriations.

Major Challenges

- Lack of consensus on medical privacy policy.

Strategic Decisions

- Should the THSA promote data and security standards?
- Should the THSA develop privacy standards to be used by local HIEs and the THSA itself?
- Should staff include this set of activities and services in conversations with stakeholders about funding THSA activities?
- Should staff develop specific medical privacy policy options for consideration by the Board?
- Should staff identify specific data and security standards for formal adoption/endorsement by the THSA?

Governance

In addition to operational and financial options, the THSA Board has the opportunity to develop a more robust and sophisticated governance structure to inform its deliberations and integrate its activities into the Texas health care sector, including potential collaboration and coordination with major stakeholders and other local and statewide HIE initiatives.

Funding options

- Limited options – There are few obvious options for direct funding unless there is industry or state interest.
- Administrative overhead – Whatever other value-adding services the THSA delivers could include a margin for funding the necessary administrative and governance infrastructure.

Major Challenges

- Coordination with other statewide and local HIE activities.
- Strategic decision-making in an unstructured market and policy space.

Strategic Decisions

- Should the THSA Board form or identify any workgroups or subcommittees to support its work at this time?
- Should the THSA recognize the Texas HIE Coalition as an interim RHIO advisory committee?