

HITE Finance Subcommittee
June 16, 2010
Draft Minutes

Present: Pat Moro, David Wasch, Jeffrey Asher, Mike Hudson, Dan Carmody, James Segarra, John DeStefano, Marie O'Brien, Warren Wollschlager

In response to the May 28, 2010 memo from DPH Commissioner Robert Galvin, the HITE Finance Subcommittee (the Subcommittee) met to address gaps and recommendations outlined in Gartner's May 17, 2010 Analysis of Alternatives Document. In particular, the Subcommittee focused on the development of a phased funding sustainability model.

Members agreed that:

- there won't be enough value generated in Year 1 to achieve sustainability of health information exchange;
- the funding model will mature over time in concert with the maturing value of the exchange;
- development of a detailed financial plan will not be possible without significant detailed information from payers, providers, insurers and state agencies; and
- while the Subcommittee can address a sustainability model, the degree of financial specificity will be limited by the gaps in the Technical and Business Operations and the Technical Infrastructure Domains.

The Subcommittee developed a multi-year, three phased model.

Phase 1/Year 1

- Phase 1 Product and Services: Public Reporting
- Phase 1 Exchange Methodology: Development of All Payer Database, all Constituents submit de-identified data directly to DPH (MAVEN)
- Phase 1 Value Proposition: Improved monitoring of population based health data, improved mandatory reporting, enhanced public health research
- Phase 1 Funding Model:
 - Federal ARRA and State Funding, including DPH, DSS and REC (including state match)
 - Flat and/or %- based fees from Health Plans (Claims %), Hospitals (Bed or Discharge), Physicians (Flat Licensure Fee), CHCs (% claims), Pharmacies, Labs, LTC facilities and other potential for-profit and non-profit HIE users or contributors
 - Explore foundation/grant funding
 - No fee to consumers or patients
 - No need for robust HIE
 - No need for patient consent?
 - Legislation required
 - Explore Tax Incentive

Phase 2/Years 2 - 3

- Phase 2 Products and Services: Continuity of Care Documents and Gaps in Care
- Phase 2 Exchange Methodologies: Development of Simple HIE, including MPI, MPI, Record Locator and Security. Care team contributors including payers, hospitals, physicians, labs and other providers. Staging options include electronic image documents, x12/xml.
- Phase 2 Value Proposition: Clinical user access to current summary patient data, follows patient through health care delivery system, improved communication between care providers, continued enhancement of public health reporting

- Phase 2 Funding Model:
 - Hybrid Funding Model
 - Continuation of flat and/or %-based fees as in Phase 1
 - Potential users have incentive to connect to HIE since they already pay to support it
 - Good transition to Subscription Model
 - Requires PHI
 - Consider linking to payment of services

Phase 3/Years 3 – 4

- Phase 3 Products and Services: Quality Reporting
- Phase 3 Exchange Methodologies: Different exchange models can be developed based on decisions on quality. A federated HIE model will allow the exchange of de-identified PHI from a variety of providers for aggregated reporting. If quality is to be actionable at the patient level, a centralized HIE will be required.
- Phase 3 Value Proposition: Improved patient outcome at the practice or patient level, might enable pay-for performance
- Phase 3 Funding Model: Continue Hybrid Funding Mechanisms

The Subcommittee will try and meet again prior to the July 1, 2010 deadline for response to the Commissioner.