

Shaping the State's Role in Health IT

" A high quality health care system
that's affordable and accessible for
all Californians"

Governor Arnold Schwarzenegger

Cindy Ehnes, Director
CA Department of Managed Health Care

October 20, 2006

Governor's Summit on Health Care Affordability – July 2006

- Implications of cost increases to:
 - **Individuals** – coverage, access & well being
 - **Businesses** – economic competitiveness
 - **Government** – balancing cost vs. other priorities
 - **Society** – providers & community health

Goals of the Affordability Summit

- Identify opportunities to contain costs & to increase coverage
- Find areas of consensus
- Examine how these might work for CA
- Serve to inform development of a health care proposal following the election

Health IT: Powerful Tool to Transform Health Care System

Health IT will support the goal of affordable, safe and accessible healthcare in California by:

- Improving safety, reducing medical error
- Avoiding duplicative and unnecessary medical procedures
- Improving coordination of care among all health care providers
- Providing consumers with information to inform and empower their health care decision making

Why Does the State Care About Health IT?

- The state finances coverage for one in five Californians and directs the expenditure of over \$36 billion in health-related spending.
- The state spends another \$3 billion on the health care of its employees and retirees.

The Governor's Executive Order: Health IT Vision and Mission

Vision

- Achieve 100% electronic health data exchange among payers, providers, consumers, researchers and government agencies in the next 10 years.

Mission

- Provide appropriate personal health information to Californians, available in a timely and secure fashion.
- Enable affordable, safe and accessible health care.

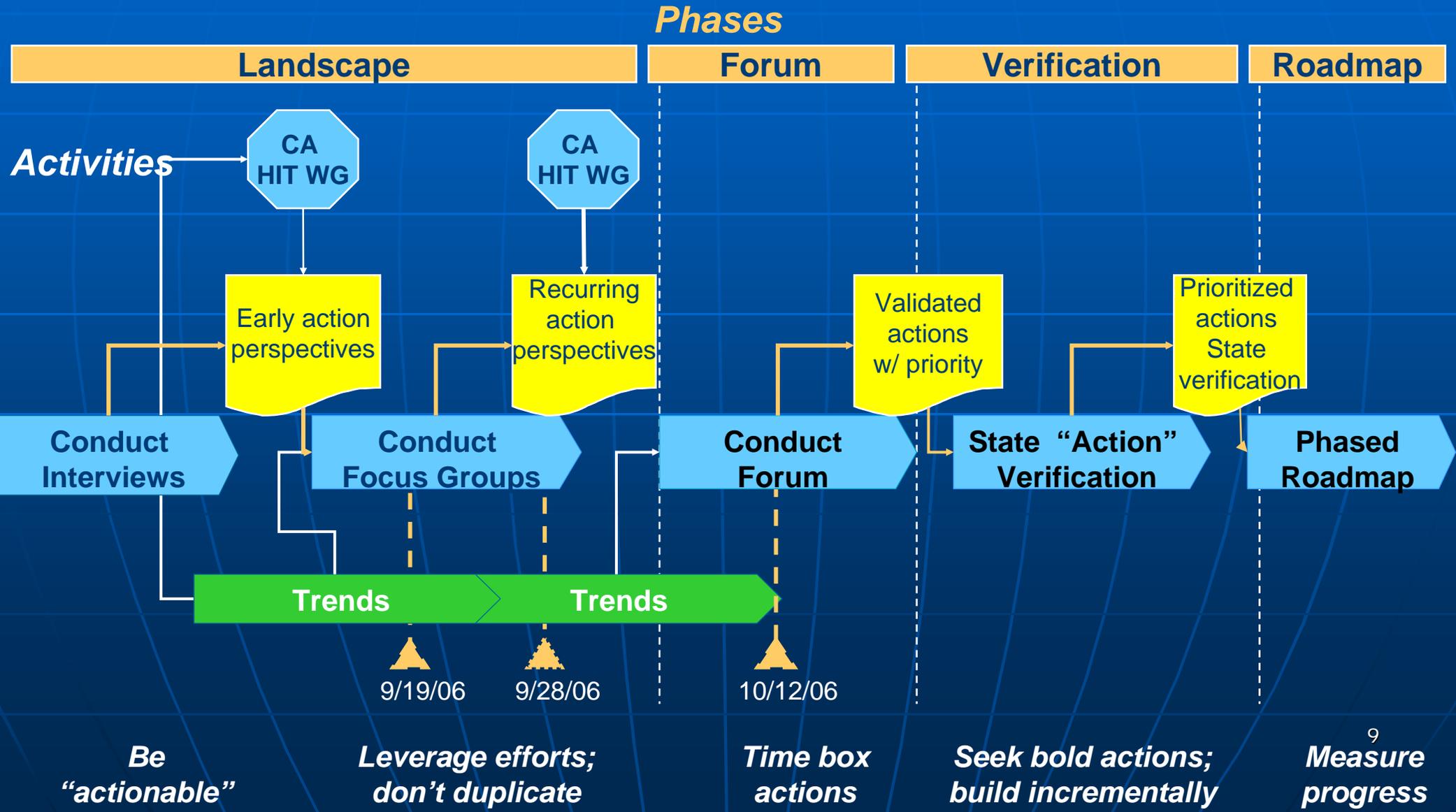
Goals of the Executive Order

- Ensure health information is available at the point of care for all patients while protecting the confidentiality and privacy of the information
- Improve safety, reducing medical errors and avoiding duplicative and unnecessary medical procedures
- Improve coordination of care among hospitals, clinics skilled nursing facilities, home care agencies, pharmacies, physicians and other health professionals
- Provide consumers with their own health information to encourage greater participation in their health care decisions
- Ensure access to specialists in a more timely manner for rural and underserved areas through technologies, such as telemedicine

Health IT Study: Implementation of the Executive Order

- Four month timeframe: Sep-Dec 2006
- Four phase project
 - Landscape surveillance
 - *E*-Health Action Forum
 - Verification of findings
 - Final Summary Report and Roadmap

HIT Study Process Overview



HIT Study Process Overview - A Different Angle

*The Landscape Surveillance Phase provided insight for the
Forum Discussion*

Trend Synthesis

- National Trends
- CA State Efforts
- 2 State Initiatives

Interview Input

(6 conducted)

- Multi-constituency background
- State and federal perspective

Focus Group Comments

(2 conducted)

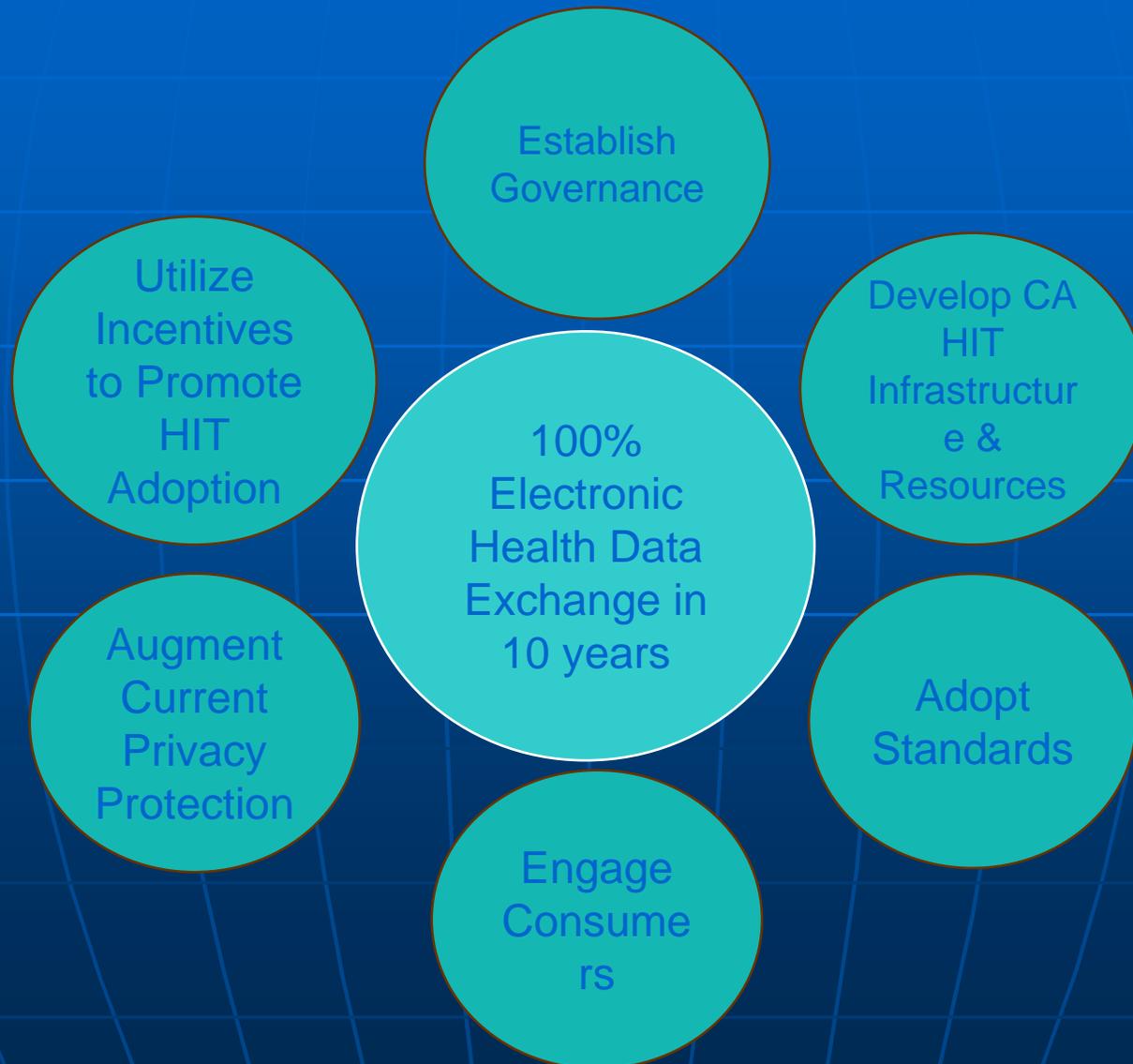
- San Francisco Focus Group on Tuesday, September 19th
- Los Angeles Focus Group on Thursday, September 28th

Hypothesis
HIT Action List
for Forum

Enables rapid
“State HIT
ACTION”
development
and adjustment

Robust
CA HIT Actions

Early Findings: HIT Action Areas (Random order)



e-Health Action Forum

- Stakeholder process to inform the State:
 - Roles the State could take:
 - Leader/Convenor
 - Purchaser/Payer
 - Data Provider
 - Facilitator
 - Regulator
 - Educator
 - Arbiter
 - Actionable steps to:
 - Promote HIT Adoption/Incentives
 - Move toward digital data exchange
 - Support necessary infrastructure

Initial Forum Action Findings

The October 12th e-Health Forum participants identified 15 potential key State actions...



...They then ranked each action on importance.

"Number One" State Actions <i>(Actions Forum attendees ranked as important and "top of list")</i>	Votes <i>(out of 44)</i>
Utilize State contract & purchasing authority to drive HIT	40
Establish a Healthcare Technology "Czar/Czarina" <i>w/ authority and resources.</i>	35
Align Financial (HIE) incentives for all payors	20
Build out a TeleMedicine infrastructure	19
State should play a role to support/drive HIT <i>(Infrastructure & safety net HIT)</i>	18
State should address privacy issues with enforcement	14
State should pursue/support a consumer's own health record & take actions to create demand for such record	13
The State should consider CalRHIO as an HIT implementation agent	10
Public Health Organizations should be represented in the governance + reimbursement infrastructure	7
Consultation code for billing/reimbursement	7
State to support aggregate data collection and analysis for quality and other health purposes	6
Limit CA localization of standards	6
Leverage state resources (etc) and be equitable	2
State to support point of service physician decision support systems	2
State to support cultural/ linguistic competency	N/A

Initial HIT Action Findings

...the top five vote getting actions were addressed in the afternoon breakout sessions.

- Utilize State contract & purchasing authority to drive HIT
- Establish a healthcare technology "Czar/Czarina"
- Align financial (HIE) incentives for all payors
- Build out a tele-medicine infrastructure
- State should play a role to support/drive HIT infrastructure & safety net HIT

Participants provided a suggested list of tasks and considerations for each action...

State Action Should Leverage Private Sector Efforts

- A statewide inventory found more than 30 Health IT projects, and 41 of California's 58 counties have initiatives that exchange healthcare information electronically across geographic areas.
- As of 2006, California has 15 RHIOs and other innovative projects, as well as nine projects from communities that are either in the formation or expansion phases.
- **Health Information Security and Privacy Collaboration (HISPC)** – CalOHI and CalRHIO will assess and develop plans to address variations in organization-level business policies and state laws that affect privacy and security practices that may pose challenges to interoperable HIE.

Consumer Engagement is Critical

- 67% of Americans remain concerned about privacy of personal health information.
- The majority of consumers harbor concerns that their employers will use their medical information to limit job opportunities.
- Yet consumers have a favorable view of health information technology and are willing to share their personal health data when it offers a benefit.
- However, patients are relatively undemanding about HIT as a component of health care treatment.

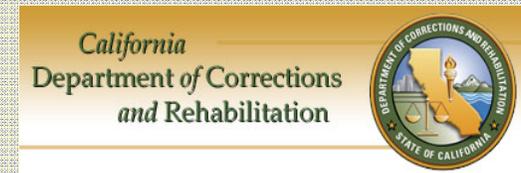
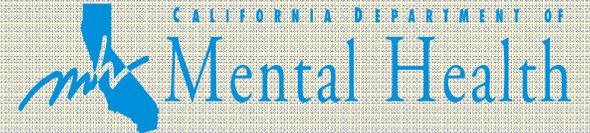
Along With Private Sector Technology Experience and Innovation

- California's private sector has a wealth of relevant experience that should be tapped.
- The technical prowess of the Silicon Valley (and of the technology industry distributed around the State) is without peer. Its information technology industry has been a source of innovation and transformation in many other industries.
- Private sector innovators in health care have created transformational reimbursement systems that depend on extensive use of health IT and stand ready to be scaled up across the State.

California Government Committee on Health Information Technology



Department of Managed Health Care



California Enterprise Architecture Program

Closing Slide

- Talk about next steps:
 - Final Report and Roadmap?
 - How this feeds into the overall proposals?