

# Options to Expand Payer and Provider Participation in Data Exchange in California

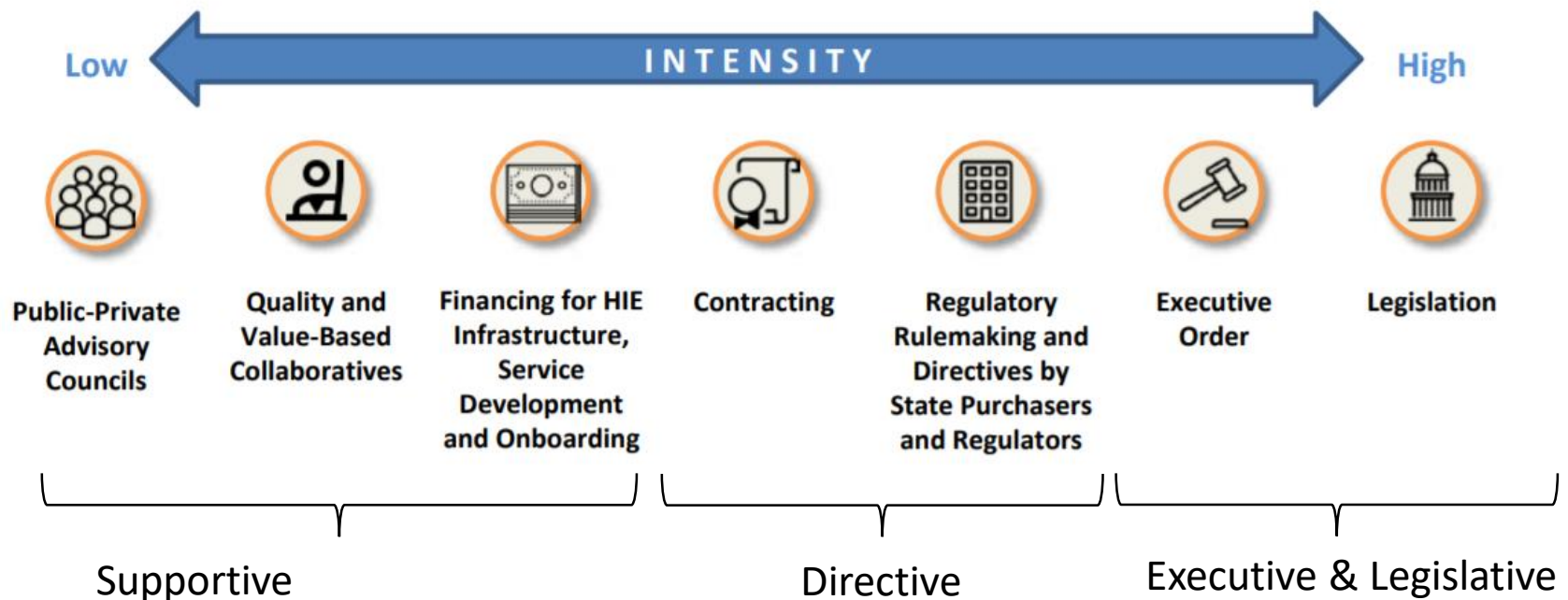
Assembly Health Committee Hearing

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# Continuum of Policy, Contracting, and Financing Levers

A variety of non-mutually exclusive policy, contracting, and financing levers may be used to advance interoperability - states that have had the most success in advancing HIE use multiple levers



Before considering which levers to depress, it is vital to clearly articulate the problems to be solved and goals to achieve that these levers can be used for

# Supportive Levers – Collaboratives, Advisory Councils and Financing Programs



Advisory bodies, collaboratives and funding initiatives can support knowledge and best practice sharing, while providing resources and implementation support

## Pros

- **Advisory Councils and Collaborative** have been used to support consensus-based processes to develop standards, prioritize and shape policy and supportive programs, build trust and share and spread leading practices
  - Example: CAHIE
- **Financing Programs** can unlock federal, state and private funding to help providers
  - especially those supporting the safety net
  - overcome significant cost hurdles and enhance the HIE value proposition
  - Example: CalHOP

## Cons

- Without power or enforcement authority, advisory council's and collaboratives cannot compel industry participants
- Funding for initial onboarding costs does not address long term costs or sustainability (i.e., business case)
- The use of HITECH administrative funding to support HIE onboarding as well as utilization at the 90% match rate will end in 2021

# Directive Levers – Contracting and Rulemaking



Public and private purchasers can use their purchasing power to require interoperability amongst network participants; state purchasers, regulators and licensing agencies can promulgate data exchange requirements

## Pros

- **Contracting Authority** can be used to direct contractors to meet HIE requirements with specified goals, milestones, incentives and penalties
  - *Example: Covered California’s Attachment 7*
- State agencies can use **Regulatory Rulemaking** authority to advance HIE priorities that are critical to agency goals and establish licensing and other incentives or penalties
  - *Example: Michigan Medicaid requires MCOs to incentivize provider connectivity to HIOs*

## Cons

- Contracting rules can be difficult to enforcement and carry some risks – they may risk destabilizing networks if providers and plans opt to leave.
- Without clear direction from state leadership, agencies may prioritize other activities (i.e., not HIE) and different agencies may pursue different paths, resulting in piecemeal, misaligned incentives, signals and confusion

# Executive & Legislative Levers – Executive Orders and Legislation



Governors have authority to direct state regulatory agencies and purchasers to advance information exchange through contracting and rulemaking within each regulator's or purchaser's purview.

## Pros

- **Executive Orders (EOs)** can be enacted quickly, provide clear direction and can support consistent rulemaking across agencies so that impact can be broadened and coordinated
- **Legislation** provides agencies with clear authority as to the actions they can take to advance HIE and can apply even to those regulators and purchasers that are not overseen by a governor's appointee
  - *North Carolina Statewide HIE Act requires nearly all providers to connect to NC HealthConnex (the state HIO)*

## Cons

- Can have a negative impact on the trust between state government and HIE stakeholders, especially if there are unfunded mandates
- EOs generally serve as a directive to state agencies to promulgate rules within their authority, rather than establishing new agency authority
- Requires enforceable incentives and/or penalties to be effective, and will inevitably encounter opposition by those who will be most impacted (i.e., who will pay for it)

# What Are The State's Priorities That HIE Can Enable?

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Pandemic Response



Caring for Complex Patients



Quality and Encounter Reporting



Integrated Physical and Behavioral Health



Affordability, Transformation and Value-Based Care



Something else?