Executive Order 55

Final Report

Governor's Health Information Technology Council

October 15, 2008

TABLE OF CONTENTS

Executive Summary

Continuously improving the quality and cost effectiveness of health care is one of the most significant public policy questions facing government. It has been widely acknowledged that information technology (IT) has shown great promise in improving patient outcomes, promoting cost effectiveness, and enhancing patient involvement. Executive Directive 6 was issued Governor Warner in 2005 to establish a 15 member work group to develop a clear picture of where Virginia currently is on health information technology deployment and to offer recommendations on where Virginia should go in the future. During 2006, this group identified specific ways to "close the gap" between where Virginia is on health IT and where it wants to be.

In 2006, Governor Kaine issued Executive Order 29 to continue the work of the Health Information Technology Council. Under the leadership of Aneesh Chopra, Secretary of Technology and Marilyn Tavenner, Secretary of Health and Human Resources, the best and the brightest minds in the field of healthcare transformation and IT were brought together to further the mission of improving the cost and quality of care delivery in the Commonwealth. The Council undertook grant initiatives designed to provide public monies to private entities advancing the cause of health IT utilization. Executive Order 55 was issued in 2007 to extend the work of the Council in this endeavor.

Three "**Innovation Motivator**" organizations were chosen for grant awards based on their proposed health IT projects as well as their tenure and respect in the marketplace. During the second cycle of awards, two "**Pioneer in the Community**" organizations were chosen based on their emerging contribution to the health of their communities and their leadership position within their marketplace. During the past two years, intense planning, policy and program development has been undertaken by the Council and its grantee partners. The projects funded by the Council, as described within this reports, and other health IT projects supported by the Council, will provide benefits not just to their own respective communities but to the Commonwealth as a whole.

However, the ultimate impact of the Council cannot be measured by the successes of these five projects alone. An enormous amount of progress has been made on other fronts, leveraging the Council's work as a catalyst for engagement. Virginia is now widely recognized as a leader in the field of health IT.

State Funds	Organization	Federal Funds
$250,000	MedVirginia	$4.47M
$250,000	CareSpark	$4.15M
$250,000	Community Care Network of Virginia	$1.95M
$150,000	NOVARHIO	$0.30M
$150,000	Centra Health	$0.25M

The Commonwealth achieved 10-1 leverage on a $1.1 Million investment!

Virginia is the only state with two participants (MedVirginia and CareSpark) in the Nationwide Health Information Network Trial Implementation. These two organizations very successfully demonstrated interoperability to a national audience at the September 24, 2008 meeting of the American Health Information Community. In addition, Virginia was one of only twelve communities in the United States selected for participation in the Centers for Medicare and Medicaid Services (CMS) Electronic Health Records Demonstration. CMS is providing up to $30M in funding to support physician electronic health record adoption.

Virginia also has strong representation on national standards development workgroups such as the Health Information Security and Privacy Collaborative. Also, the Commonwealth has been designated as a Chartered Value Exchange (CVE). The CVEs represent one of several initiatives undertaken by Health and Human Services (HHS) to implement a vision for health care reform built on four cornerstones including adopting interoperable health information technology.

All of these activities serve as a springboard for the strategic advancement of health information technology in the future. In summary, the Commonwealth of Virginia has the resources, partnerships, infrastructure and vision to continue the drive toward enhanced quality, safety, and efficiency through the use of health IT. We must continue to engage the best and the brightest to lead health IT innovation. We must also continue to put forth strong public policy that continues to support the growing health IT infrastructure in the Commonwealth. Much work remains, but the past two years provide both the confidence and encouragement to press ahead.

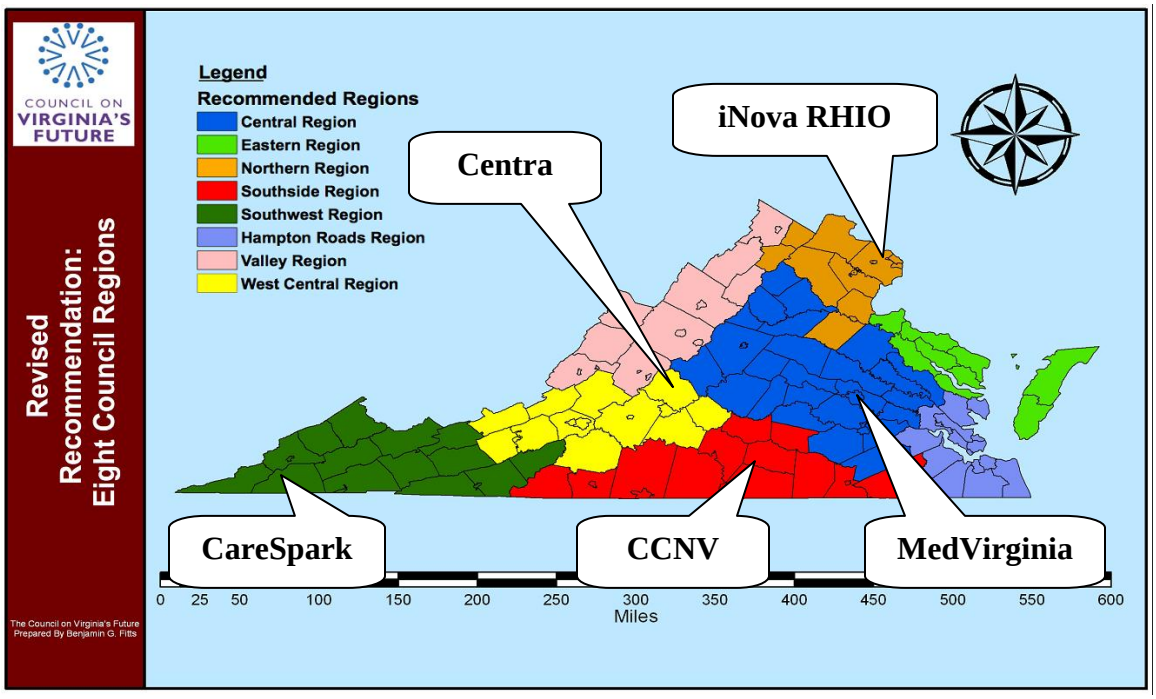
Recommendations

The Governor's Health IT Council believes that their role as a convener of healthcare stakeholders from across the Commonwealth is a vital benefit to all involved and should be continued. Executive Order 55 lapsed at the end of June 2008, however members of the Council will continue to be involved in a voluntary advisory capacity.

The Council also believes it should continue to foster innovative and collaborative projects in the Commonwealth despite having used all the available grant funding. The Council will continue to meet and monitor Health IT activities in the Commonwealth and act as a partner and broker to advance the exciting and varied opportunities being pursued in Virginia.

SECTION I
Health Information Technology Grantees

In 2007 the Governor's Health Information Technology Council awarded state grant monies to three organizations deemed by the Council as well suited to promote the proliferation of health information technology in the Commonwealth. In 2008 the Council awarded grant monies to two additional organizations further increasing the capacity to promote health information technology adoption in Virginia. So far the Council has funded projects in 5 of the 8 economic development regions of the Commonwealth. It is the goal of the Office of Health IT to partner with other groups to sponsor projects in the remaining three regions.



"Innovation Motivator" Grants

MedVirginia

Two years ago, the Executive Directors of the Richmond area free clinics formed a workgroup to define and prioritize their information technology needs. MedVirginia assisted in this planning process, and adopted the resulting roadmap as the framework for utilizing the Governor's Health Information Technology (HIT) Council funds in driving technology adoption at four free clinics (Cross Over Ministry, Fan Free Clinic, Love of Jesus, and Richmond High Blood Pressure Center.)

To date, significant accomplishments have been made that are already driving improvements in clinical workflow and enhancements to the quality of care provided to patients. All of the free clinics:

- have new registration and scheduling systems;
- are active users of MedVirginia, and can receive automated results from all participating data suppliers, including Bon Secours Richmond Health System;

● are connected to area specialists and hospitals via a secure clinical messaging system;
● have access to an automated and standardized system for eligibility screening, results of which are available to all specialists and hospitals at time of referral;
● will be provided e-prescribing capabilities, with connectivity to 175 community pharmacies as well as the CrossOver free clinic pharmacy; and
● have "EMR lite" capabilities, including clinical documentation infrastructure for capturing medications, allergies, problem lists, immunizations, and vital signs

The following components were identified as Objectives, and MedVirginia used the HIT Council funds to provide solutions as outlined:

Objective 1
Clinics needed better patient management systems to automate patient scheduling and store demographics, diagnosis codes and visit histories.

Solution 1
MedVirginia reviewed a number of vendors before deciding to purchase licenses for GBA's MEDfx system on behalf of the four clinics. Through MEDfx, all clinics have access to state-of-the-art provider scheduling and patient registration functions. Where necessary, existing patient data was migrated to the new system so that continuity of operations could be preserved.

Objective 2
A common eligibility screening process was needed to improve patient intake, medications management and referrals to specialty providers. Eligibility data and proof of income needed to be stored in a data warehouse that is accessible by free clinics, area hospital systems and specialty providers.

Solution 2
Using this approved document as a template, MedVirginia commissioned GBA to build an automated module in MEDfx which would allow users at the free clinics to load eligibility data directly into the practice management system.
Data entered electronically is then manipulated automatically by the PM system and a populated form can be printed for patient signature and attestation. Printer/scanners were purchased & installed at each free clinic location by MedVirginia. This enables the signed eligibility form to be scanned into *MedVirginia Solution,* attached to the specific patient chart, and made accessible to all clinics, the hospital systems, specialty physicians and pharmacies.

Objective 3
Electronic assess to clinical data was needed to: 1) reduce costs by reducing redundancy in testing; 2) improve patient care by providing faster information to clinical providers; and 3) reduce inefficiencies inherent in the current fax/mail based systems.

Solution 3

All of the clinics have implemented the *MedVirginia Solution* system and have the capability to use its "EMR lite" functionality. In addition to clinical documentation at the free clinic site, results from hospitals, labs, and community physicians are integrated into the patient's e-chart.

MedVirginia Solution also provides a secure, HIPAA-compliant E-Mail system for communicating between free clinics, as well as with other providers.

Objective 4

With the launch of Crossover Ministry's Community Pharmacy in the spring of 2008 (using the SureScripts-certified QS-1 software,) e-prescribing capabilities were needed to accommodate the level of prescriptions anticipated across clinics and to ensure patient safety.

Solution 4

The interface between *MedVirginia Solution* and GBA's MEDfx allows for electronic prescribing, and makes available allergy and drug interaction information, medication histories and clinical decision support. MedVirginia activated SureScripts provider IDs for those free clinic providers requested by the Executive Directors as prescribers. This ID is required for e-prescribing. Prescriptions can now be sent across the MedVirginia e-prescribing application both to the Crossover Community pharmacy (QS-1) as well as to other area pharmacies. In addition, MedVirginia will populate medication histories into the patient's electronic chart. This information is invaluable for medication management, and to utilize clinical decision support for drug-drug / drug-allergy checks.

CareSpark

Since its establishment as a regional non-profit health information organization in 2005, CareSpark has been working to improve health in the central Appalachian region (including nine counties of southwest Virginia and eight counties of northeast Tennessee) through the collaborative use of health information.

Objective

In partnership with local provider organizations, payers, employers, public health departments and community agencies, CareSpark has partnered with leading technology companies to develop the technical infrastructure for the secure exchange of clinical information for the purpose of patient care and treatment.

Solution

In August 2008, CareSpark's technical infrastructure (including a Master Patient Index, interface engine, clinical document registry and repository and clinician portal) became operational and was moved to OnePartner's Tier III secure data center in Duffield, Virginia. CareSpark's technical infrastructure was designed and built in accordance with national standards for security (ISO 27002), Health Information Technology Standards Panel (HITSP) and National Institute of Standards and Technology (NIST), and is a

document-based exchange that support the profiles defined by Integrating the Healthcare Enterprise (IHE). CareSpark continues to develop additional components of its technical infrastructure through its participation in the Nationwide Health Information Network (NHIN) Trial Implementation, successfully testing and demonstrating exchange of summary medical record and patient consent preferences in August – September 2008, and preparing for demonstration of Medication Management and Consumer Empowerment use cases in December 2008.

While developing its technical infrastructure, CareSpark has engaged with participating organizations to consider and develop metrics that will help evaluate CareSpark's impact on the health status of people in the region for which significant disparities exist in premature mortality from diabetes, cardiovascular disease, hypertension, lung disease and cancers, as well as from prescription drug overdose. Extensive work on policies, data-sharing agreements and improvement processes has been completed, earning CareSpark international recognition from Computerworld as a 2008 Laureate and national visibility as a model for collaboration, commitment to standards and performance excellence.

The Commonwealth of Virginia is currently planning for connection of the state immunization registry to CareSpark, and then to the Tennessee Immunization Registry via CareSpark. Plans have also been initiated for exchange of summary medication information by behavioral health organizations, exchange of information between clinicians at V.A. and non-V.A. facilities, and single point for clinician access to registries for controlled substances in several states bordering the CareSpark region.

Community Care Network of Virginia

Virginia's 23 Federally Qualified Health Centers formed a network umbrella entity in 1996 known as the Community Care Network of Virginia (CCNV). This organization provides information technology, central business office functions such as third party billing, contracting assistance, provider credentialing services and electronic health technology to these health centers across the Commonwealth.

The seeds for their information technology vision began in early 2004 after CCNV was awarded a federal network planning grant from the Bureau of Primary Health Care, a bureau under the U.S. Department of Health and Human Services. A workgroup was formed by CCNV to develop a technology roadmap for these safety net providers across the Commonwealth. From this work, a vendor was selected to provide electronic medical records capability to these health centers. The organization is focused on establishing a Center for Data and Informatics which will support a Community Care Record within local communities in Virginia.

Objective

The primary objective upon which the State IT project is based is centered on the use of a common patient record available to primary care and other social service agencies in the community. Specifically, certain patient information would be centrally available to these providers and agencies, in a secure, protected, HIPAA compliant environment in order to:

- Improve continuity of care for patients being served by multiple agencies
- Improve operational efficiency by eliminating duplicative data processing and work effort.
- Improve the quality of care and patient outcomes by having available current data and information

Solution

Create a common point of collected information to be made available to providers and agency personnel. eClinicalWorks, the chosen vendor, has worked diligently with CCNV and a non-profit human services organization in the Southside Region of Virginia to determine what general demographic and financial information is needed to establish patient eligibility for services and other clinical information that would allow for coordination of that patient's care using a "medical home" model. The system specifications have been established and eClinicalWorks has the system currently in production. They will also construct the needed interface with the human services organization. Patient outcome metrics will also be established.

"Community Pioneer" Grants

Northern Virginia Regional Health Information Organization, Inc.

Objective

The Northern Virginia Regional Health Information Organization, Inc. (NOVARHIO$_{sm}$) is collaborating on a state-granted project with INOVA Health System, Erickson Retirement Communities, Audacious Inquiry, Inc. and GE Healthcare to support several phases of an overall initiative to expand the use of electronic health records and exchange in northern Virginia (planning district 8, "PD8") and to establish a comprehensive health information exchange in northern Virginia. The specific efforts undertaken further these goals by the following:

1) creating a mechanism to provide electronic access to patient medication histories in hospital emergency rooms and
2) launching an organized effort to educate northern Virginia citizens about the critical need for personal health records and
3) working with localities and organizations to establish a standards-based health information framework by encouraging voluntary use of a web-based "File for Life" and
4) comporting with the federal Continuity of Care Document requirements and

at all times being most mindful of and true to the rigors and constraints of HIPAA, as privacy is, and has been a major concern. These efforts will inform the Planning District 8 regional work that has been underway since the spring of 2006, now under the auspices of the NOVARHIO. The state-granted allocation is $150,000.

Solution

Outreach has begun across PD8 with the several hospitals located in Planning District 8, with the local governments in the region, and with other proximate health information organizations. Additionally, discussions are underway with other non-proximate, interested organizations. Presentations are ongoing as well with community groups, civic groups, elected officials, faith-based groups, consumer groups, etc. The File for Life document will initially be downloadable to the general public for personal computer retention, editing and for posting in hard copy for use by emergency responders and those given permission by the consumer. The File for Life (in standards-based format) of those participating residents of Erickson's Green Spring Village will be immediately available electronically at the hospital emergency department of INOVA Alexandria Hospital upon patient presentation. The latter Files for Life will be updated at the hospital emergency department and follow the patients back to Green Spring Village.

Planning sessions are continuing with a test implementation of the hospital emergency department portions of this work now scheduled for the last two months of calendar

2008. Full implementation of the hospital emergency department work is scheduled for early calendar year 2009.

Matching funding and donations for this grant effort already exceed $90,000 and will exceed $300,000 by the conclusion of the grant.

Centra Health System

Objective

Centra is making use of Virginia's Health IT Grant to expand the functionality of our Electronic Medical Record to allow physicians in our community to participate in the American College of Cardiology's (ACC) National Cardiovascular Data Registry (NCDR) Program for Improving Continuous Cardiac Care (IC^3). The IC^3 Program measures and benchmarks a practice's adherence to current ACC/American Heart Association (AHA) clinical practice guidelines and performance measures. Our physicians will use these benchmarks to improve the care provided to our patients.

Solution

A great deal of progress has been made working with Centra, the ACC and GE Healthcare to develop this pilot solution which will define the repeatable process for extending EHR functionality to capture quality data and transmit to a registry. The team has successfully completed the following tasks:

- Reviewed the IC^3 defined data elements required to track Coronary Artery Disease (CAD) and refined the data dictionary to assure that the data elements are clearly defined in meaning and expected values.
- GE Healthcare reviewed Centra's Centricity EMR to assist in the location of the values contained within the EMR and created additional data elements as needed.
- A review of the IC^3 CAD data elements indicated that data would be needed from both the physician EMR and from the hospital EMR.
- To enable the sharing of data from the hospital EMR, results are now being sent to the physician EMR populating results for lab, radiology and transcribed report.
- GE Healthcare has developed the template to be used by physicians in capturing additional IC^3 data elements including informational reminders to the physician such as reminders to offer smoking cessation counseling for patients that smoke.
- Defined the process that will be used to transmit these data elements to Centra's data repository using standard HL7 messaging.
- Defined the format and process for sending the data elements to the ACC using standard CDA formatting.

Centra is on-schedule to submit the first data to the ACC on June 30.

Section II
Health Information Technology Projects

Health Information Security and Privacy Collaborative (HISPC)

The Health Information Security and Privacy Collaborative (HISPC) is co-managed by the Agency for Healthcare Research and Quality and Office of the National Coordinator for Health Information Technology. The HISPC project brings 45 states and territories together to discuss the privacy and security challenges posed by Health Information Exchanges in their states. The primary goal is to identify, propose solutions, and develop implementation plans for identified variations in organizational-level business policies and state laws that affect health information exchange. Virginia is a participating state with project management support provided by the Departments of Medical Assistance Services and Health.

In the first phase of the project, 34 states followed a defined process:

1) Assess variations in organizational-level business policies and state laws that affect health information exchange;
2) Identify and propose practical solutions, while preserving the privacy and security requirements in applicable federal and state laws; and
3) Develop detailed plans to implement solutions.

In the second phase of the project, the 34 states selected a foundational component of their larger implementation plan to be completed in a 6-month time frame. During this time, additional participation was sought for the HISPC's third phase, and new states and territories joined the original HISPC states to review high-priority areas where multistate collaboration could foster the development of common, replicable solutions. It is at this time that Virginia joined the Collaborative.

The third phase began this spring and is composed of seven multistate collaborative privacy and security projects focused on analyzing

- Consent data elements in state law;
- Studying intrastate and interstate consent policies;
- Developing tools to help harmonize state privacy laws;
- Developing tools and strategies to educate and engage consumers;
- Developing a toolkit to educate providers;
- Recommending basic security policy requirements; and
- Developing interorganizational agreements.

Each project is designed to develop common, replicable multistate solutions that have the potential to reduce variation in and harmonize privacy and security practices, policies, and laws. A cross-collaborative steering committee has been stabled to facilitate knowledge transfer among collaborative and identify points of intersection.

The Virginia HISPC formed a steering committee with provider and governmental representatives to advance its mission in Virginia. An environmental scan is currently underway to determine a policy baseline in the Commonwealth. Subsequent work will include the vetting of proposed policies and guidelines to effected constituencies.

Virginia Health Exchange Network

In April of 2007 the Virginia Hospital and Healthcare Association, the Virginia Association of Health Plans, and the Governor's Office of Health IT jointly convened a meeting with Virginia Healthcare leaders and senior management from Virginia Health Plans and Providers. The purpose of the meeting was to discuss the possibility of forming a collaborative organization dedicated to lowering administrative costs in healthcare. The participants agreed to continue regular meetings to discuss opportunities.

In October 2007, the Virginia Health Exchange Network was created through the adoption of an organizational Charter (see Appendix B) by 18 organizations representing the largest Health Plans and Providers in the Commonwealth as well as representatives from Virginia Medicaid and the Governor's Office. The Charter focused on two goals:

- ~ Encouraging adoption of the CAQH CORE rules to streamline administrative data exchange that was already taking place and;
- ~ Evaluating the possibility of more formal collaboration to lower administrative costs for all parties.

By the spring of 2008 most payers and providers were either completing or on track to complete CORE Phase I certification and the VHEN organization started to discuss next steps. Virginia Medicaid had been approved for funding to create a free online claims submission tool for their small providers. The VHEN organization agreed to build on this movement towards lowering administrative costs by agreeing to jointly procure a common portal for Virginia providers to use when interacting with Virginia Payers.

On June 12th, 2008 VHEN released an RFI that will be managed by VHHA and VAHP jointly (see Appendix). Responses are due by August 15th, 2008. The first phase of the project would include a common eligibility verification tool. This tool would allow a provider to retrieve up-to-date eligibility information on a patient from any participating Virginia health plan from a single point of entry. The RFI also asks respondents to provide a road-map to implementing the full HIPAA transaction set (eligibility, claim status inquiry, referral authorization, remittances) and also a vision for administrative savings opportunities beyond the HIPAA set.

Medicaid's RFP will be released in August of 2008 and has a goal implementation date of January 2009. VHEN's executive committee will meet in August to review the RFI responses and will develop an implementation time-line at that time. VHEN will also explore possible incorporation during 2008-2009.

Medication Management and Health Information Exchange

MedVirginia was requested to develop high-level recommendations regarding interoperability between local community service boards (CSBs) and the Community Resource Pharmacy (CRP). These recommendations were to address how to improve efficiency in the process of medication administration, while also seeking opportunities to improve safety and quality.

Upon being charged with this deliverable, MedVirginia initiated a series of meetings with representatives from the Commonwealth of Virginia Department of Mental Health, Mental Retardation, and Substance Abuse Services (DMHMRSA) and the Commonwealth of Virginia Department of Health (VDH). Project objectives were communicated to DMHMRSA and were met with enthusiasm and support. Information was shared with MedVirginia regarding plans for information systems development and procurement. Parties very quickly recognized the benefits of collaboration, and the procurement processes were viewed as mechanisms that could support implementation of this project's objectives.

A summary of findings and recommendations were presented to the respective agencies and the Secretary of Technology. These are intentionally kept at a level of generality so that they can be adapted for incorporation into other planning and procurement processes of the DMHMRSA and VDH. On the other hand, they are intended to provide clear direction as to early steps that can be taken to enhance interoperability among newly deployed information systems for the CSBs and CRP. A central theme of the recommendations is to leverage investments in technology that can be utilized to enhance efficiency and effectiveness of care delivery.

Recommended are two phases of interoperability. The first phase is focused on enhancing the electronic access of the CSBs to medication histories, both from the CRP and retail pharmacies. This would be done by queries sent through the SureScripts gateway, with medication histories returned to the CSB. The CSB, with enhanced capabilities in information systems - including electronic prescribing – would then be able to apply clinical decision support to identify potential drug-drug or drug-allergy interactions. Importantly, by including community retail pharmacies in this query, interactions between psychotropic drugs and other drugs would also be able to be identified.

The second phase is the creation of a Mental Health Information Exchange (MHIE). This involves the development of a central organizing system that would create a consolidated medication history across all CSBs. Importantly, it would also allow for CSB-to-CSB queries and CSB-to-Community HIE queries. This would enable authorized providers secure access to additional clinical information that may prove beneficial to the care and treatment of the patient. All exchange of information would, of course, be consistent with State and Federal laws, and protection of patient confidentiality.

MedVirginia is grateful for the opportunity to work with the Commonwealth of Virginia on these and other initiatives in health information technology. We are hopeful that these efforts further the interests of the citizens of the Commonwealth, and we stand ready to continue our support.

APPENDIX A

COMMONWEALTH OF VIRGINIA

OFFICE OF THE GOVERNOR

Executive Order 55

CONTINUING THE
HEALTH INFORMATION TECHNOLOGY COUNCIL

Importance of the Issue

Building and improving our health information technology infrastructure is critical to providing quality health care. As the complexity of our health care system continues to grow, health care providers must leverage information technology to improve patient safety and health outcomes. It is critical that Virginia health care providers employ health information technology to provide the best care for patients. Improving health care technology infrastructure offers the potential for both improving the quality and safety of patient care and helping control costs.

Health care information technology is important in both institutional and non-institutional settings. It is important for the Commonwealth to encourage the development of appropriate, interoperable health care information technology to improve the quality of care and help control costs. As was recognized in the 2006 Appropriation Act, at the request of my administration, an appropriate first step is to convene major stakeholders and leading thinkers on this issue.

Establishing the Council

By virtue of the authority vested in me as Governor under Article V of the Constitution of Virginia and under the laws of the Commonwealth, including but not limited to Section 2.2.-134 of the *Code of Virginia*, and subject always to my

continuing and ultimate authority and responsibility to act in such matters, I hereby establish the Governor's Health Information Technology Council.

In addition to the responsibilities identified in the 2006 Appropriation Act, the Council shall have the following responsibilities:

1. Establish an interoperability framework drawing from and complying with the standards of the National Health Information Network (NHIN).

2. Build public-private partnerships to increase adoption of electronic medical records for physicians in the Commonwealth.

3. Identify areas where health information technology can lower health care costs for the Commonwealth of Virginia as an employer and health insurer.

4. Provide an interim report to the Governor by October 15, 2006 recommending amendments to the state budget that will spur the development, implementation, and ongoing use of Virginia's health information technology infrastructure.

5. Recommend funding and strategies necessary to encourage long-term sustained adoption and interoperability of health information technology in the Commonwealth in a report to the Governor by December 1, 2006.

6. Examine other issues as may seem appropriate.

The Council shall consist of 15 members to be appointed by the Governor and to serve at his pleasure, in accordance with the parameters laid out in the 2006 Appropriation Act. Additional members may be appointed at the Governor's discretion. The Secretaries of Health and Human Resources and Technology will co-chair the Council and will be responsible for convening the Council.

The Council shall meet at the call of the co-chairs to oversee the development of the health information technology infrastructure in the Commonwealth. Members of the Council shall serve without compensation. They may receive reimbursement for expenses incurred in the discharge of their official duties.

Staff support shall be provided through the Office of the Governor, the Secretaries of Technology and Health and Human Resources, and such other agencies as the Governor may designate. It is my intention to create a cross-secretarial team to provide staff support to this effort. It is also my intention to

draw whenever possible on private sector expertise. Direct expenses for this effort, exclusive of staff time, are estimated at $9,000.

This Executive Order shall become effective upon its signing and shall return in full force and effect until July 7, 2007, unless amended or rescinded by further executive order. It is my intention to renew this executive order as provided for in 2.2-134 at the appropriate time.

Given under my hand and under the Seal of the Commonwealth of Virginia this 7th day of July 2006.

Timothy M. Kaine, Governor

Background On Council Activity

2006-2007 Activity

In August of 2006, the Health IT Council membership began the work of identifying and encouraging long-term sustained adoption and interoperability of health information technology. Governor Timothy M. Kaine in Executive Order 29 established the Health Information Technology Council and charged that body with recommending the most innovative and effective investments for the $1.5 million appropriated by the 2006 General Assembly to encourage the adoption of electronic health records throughout the Commonwealth and in compliance with federal standards.

The Council set out to provide an unbiased approach for determining providers and business partners mature enough to have the potential to jumpstart adoption in the Commonwealth. To determine readiness to implement, Council issued a request for information (RFI) on August 21, 2006, announcing its intention to seek Statements of Interest (SOI) from private entities and public-private partnership. On August 31st, an information conference was held for interested parties, with the Statements of Interest due Friday, September 15, 2006. Sixty-one (61) proposals were submitted. The Council eliminated the proposals that were not action ready (studies) and completed its evaluation of the 56 remaining proposals by October 15th based on a probability index that drew the pool down to 34 proposals. Of the thirty-four (34) remaining a letter rank of A, B, or C was awarded. This probability of success exercise, or risk map, brought the proposals earning a high enough "grade" to be considered an "A" down to 15. Three of the four subcommittees were charged with an evaluation of the remaining proposals based on the authority specific to their field: business, physician, and privacy/security. The Business Case subcommittee graded the 15 proposals that were ranked as an "A" and handed off their ratings of business viability with scores from 100 to 0 to the Physician Communication and Privacy/Security subcommittees. These two subcommittees reviewed the proposals that had ranked above 80 on the 100 point scale.

The fourth subcommittee, the Ranking Committee, then developed a weighted grid system to combine the input of the 3 other subcommittees. The proposals were ranked according to business case score and then awarded points based on the previous rankings of the Physician Committee and the Privacy Committee. Finally these scores were weighted as 70% for Business and 15% each for Privacy and Physician.

The Submission Collection Tool used in the RFI and in the probability index used in each committee identified objectively those partners whose businesses/practices were already mature in the field of changing medical technology and changing physician/health delivery cultures. In addition, the collection tool looked for a culture of action-

orientation from its potential partners as well as a teaching-orientation. (projects able to be replicated across practices and the state.) Teaching-orientation is an important piece, not just for Virginia, but from the point of view of national leadership in the electronic health record field. "To be connected" Michael O. Leavitt, Secretary Health and Human Services, has repeatedly called the first step to true transparency in health care.

Finally, project proposals were judged on their ability to (1) drive adoption of ambulatory health records in the Commonwealth, (2) improve interoperability of medical records, and (3) leverage the Commonwealth's role as a large purchaser of healthcare to lower costs.

Friday December 1, 2006, the Health IT Council made its recommendation to the Governor for how the $500,000 in funding designated by the General Assembly for this year should be spent. The Council gave the green light to 3 projects while making a point to praise many of the projects that didn't receive funding. The Council recommended that the Virginia Department of Health negotiate with the top three rated proposals (MedVirginia, Community Care Network of Virginia, and CareSpark) to determine if there is flexibility in their requests. The goal is to fund as many projects as possible without endangering the likelihood of their success. On February 28th, Governor Kaine announced that each project would receive $250,000 in funding. For more information see the Interim Report of the Health IT Council released in April 2007 and updated in October 2007 available on the Health IT Council's website.

Granting Process

The granting process took place over the course of two rounds. For the first round a request for information (RFI) was issued on August 21, 2006, announcing the Governor's Health Information Technology Council intention to seek Statements of Interest (SOI) from private entities and public-private partnerships qualified and experienced with electronic health records (EHR) implementation. Project proposals were judged on their ability to:

1. drive adoption of ambulatory health records in the Commonwealth;
2. improve interoperability of medical records; and
3. leverage the Commonwealth's role as a large purchaser of healthcare to lower costs.

The Office of Health Information Technology received 61 proposals for evaluation by the Governor's Health IT Council. These proposals were submitted by a geographically diverse group of partners representing a broad spectrum of information technology applications. Proposals can be grouped by project outcome into three broad categories based on the RFI criteria they were focused on. These include those proposals that extend electronic health record adoption, those that seek to improve quality and reduce

costs and those that seek to exchange information and improve interoperability. Fifty-seven percent of the proposals dealt with the issue of data exchange and the mechanisms needed to improve interoperability. Thirty percent of the proposals were mechanisms to extend electronic health record adoption and thirteen percent of the proposals represented IT solutions to improve quality and reduce costs.

After an initial understanding of all proposals, the Governor's Health IT Council adopted a gated review process to be used in determining the applicants' merit for grant funding. The first review was conducted to ascertain the strength and potential of the proposal's business case and of the partnership's potential ability to deliver upon its vision. The second review was conducted to judge the potential of the proposal to involve and assist the physician community in providing quality, cost-effective healthcare to the citizens of the Commonwealth. The third review was conducted to ascertain the ability of the proposal to protect the privacy and security of personal health information. The final review was conducted to prioritize the proposals based upon the recommendations of the previous reviews. A detailed explanation of the review process can be found in the interim Report released by the Council in April of 2007.

The second round was limited to those that had participated in the first round. Those who had not received funding in the first round were invited to resubmit projects that were limited to $150,000 in requested funds. A staff level review of the submissions was done using the criteria created by the Council in the first round.

Health IT Council Membership

Co-Chairs
The Honorable Marilyn Tavenner, Secretary of Health and Human Resources
The Honorable Aneesh Chopra, Secretary of Technology

Members
Barbara Baldwin of Richmond, chief information officer for the University of Virginia Health Systems;
Golden H. Bethune of Hampton, executive vice-president and administrator of Riverside Regional Medical Center;
Elizabeth T. Brown of Virginia Beach, director of information for technology and long term care and home care services at Sentara Healthcare;
Nancy Davenport-Ennis of Yorktown, chief executive officer of the Patient Advocate Foundation;
Ronald DeCesare, Jr. of Annandale, chief executive officer of Professional Healthcare Resources;
Dr. Don E. Detmer of Crozet, chief executive officer and president of the American Medical Informatics Association;
The Honorable Janet D. Howell of Reston, member of the Senate of Virginia;
Dr. Gopinath Jadhav of Richmond, physician for Southside Gastroenerology;
Bob Johnson of Potomac, Maryland, senior vice-president of Consumer Sales at Sprint Nextel;
David Merritt of Alexandria, project director for the Center for Health Transformation;
Gil Minor, III of Richmond, chairman and chief executive officer for Owens and Minor;
Dr. Keith H. Newby, Sr. of Norfolk, physician at Cardiology and Arrhythmia Consultants, Inc.;
The Honorable Samuel A. Nixon, Jr. of Richmond, member of the Virginia House of Delegates;
The Honorable John M. O'Bannon, III of Richmond, member of the Virginia House of Delegates;
Megan Philpotts Padden of Norfolk, vice-president of government programs and e-business at Sentara Health Plans;
Joseph Roach of Martinsville, chief executive officer of Memorial Hospital;
Chas W. Roades, Jr. of Vienna, executive director of research for the Advisory Board Co.;
Richard D. Shinn of Midlothian, director of public affairs for the Virginia Primary Care Association;
Anna Slomovic of Arlington, chief privacy officer at Revolution Health Group;
Larry T. Wilson of Gate City, physician at Holston Medical Group;
Michele M. Vilaret of Alexandria, director of telecommunication standards for the National Association of Chain Drug Stores.

Staff Acknowledgements

Kim Barnes, Policy Analyst, Virginia Department of Health
Thomas Gates, Assistant Secretary of Technology
Aryana Khalid, Deputy Secretary of Health and Human Resources
Tristen Pegram, Special Assistant to the Secretary

APPENDIX B

VIRGINIA HEALTHCARE EXCHANGE NETWORK - VHEN
CHARTER

Whereas reduction in unnecessary administrative expenses can benefit healthcare payers, healthcare providers, and ultimately healthcare consumers; and

Whereas there remain opportunities for healthcare payers and providers to apply transaction standards and online tools to reduce the cost of administrative transactions; and

Whereas in the Commonwealth of Virginia there is interest among multiple stakeholders in making significant progress towards eliminating unnecessary healthcare administrative costs;

Pursuant to this charter, participating Virginia health care providers and health plans (the "Participants") will undertake the following:

Purpose - Participants will engage in a time-bounded, metric-oriented, and coordinated effort to:

a. Adopt and apply the so-called CAQH CORE Phase I operating rules to exchanges of eligibility transactions among Virginia payers and providers;
b. Evaluate additional approaches for reducing costs of collection, payment, and approvals, and where justified, engage in further defined, collaborative, and measured efforts to streamline healthcare administration in the Commonwealth of Virginia.

Scope - Cooperation under this chartered is focused on and limited to those activities mutually agreed to by participants which promote general adoption of online standardized healthcare administrative transactions, full compliance with applicable state and federal privacy provisions, and applications of those transactions to reduce healthcare administrative costs. In promoting online administrative data exchange, participants are also mindful of longer-term possibilities in other forms of medical exchange or telemedicine, and the need to consider these longer-term requirements, as near-term approaches are formulated.

Designation - Participants under the agreement will be collectively referred to as the Virginia Healthcare Exchange Network (VHEN).

Period - The initial term of the charter is from July 1, 2007 through June 30, 2009. The term may be extended upon agreement of Participants. A Participant may withdraw from participation upon written notice to the VHEN Steering Committee.

Performance - Participation under the agreement entails dedication of resource to the purpose of the agreement incremental to pre-existing business efforts.

Steering Committee - Participating organizations will be drawn from the private and public sector, from health plans and payers, and from hospitals and health systems. Participating organizations will nominate an individual to serve on the Steering Committee that will set goals, timelines and, where appropriate, budgets for initiatives undertaken by the group.

Superceding agreements - participants may elect to supercede this charter through formal incorporation or other amendments to the joint governance upon 2/3 vote of the participants.

VHEN Participants

Aetna
AMERIGROUP
Anthem
Bon Secours Health System
CareFirst
Carilion Health System
Coventry
HCA
Inova Health System
Kaiser Foundation Health Plan of the Mid-Atlantic States
Optima (Sentara)
Riverside Health System
Sentara Healthcare
UnitedHealthcare
University of Virginia Medical Center
VCU Medical Center/MCV Hospitals
Virginia Secretary of Technology
Virginia Department of Medical Assistance Services

REQUEST FOR INFORMATION
"RFI"

Date:	November 4, 2008
Title:	Universal Eligibility Portal
Issuing / Using Entity:	Virginia Healthcare Exchange Network c/o Christopher S. Bailey 4200 Innslake Drive Suite 203 Glen Allen, VA 23060

I. INTRODUCTION

The Virginia Healthcare Exchange Network (VHEN) is committed to a collaborative public-private model limiting unnecessary administrative costs in healthcare and speeding the adoption of tools and processes that can achieve that goal. VHEN is seeking Statements of Interest (SOI) from private entities to create a web-based, multi-payer eligibility verification tool. VHEN will consider responses to this Request for Information (RFI) and determine funding and next steps based on availability and quality of proposals. Project proposals should address these objectives:

1) Require no or very minimal changes to the existing infrastructure of the participants
2) Serve as an aggregator for the provider
3) Search and retrieve data from existing databases maintained by the participants
4) Facilitate both real-time and batched inquiries
5) Meet all HIPAA requirements for privacy and security

The primary focus of the Universal Eligibility Portal is to prove that a light-weight, multi-payer portal without transaction costs can be effective in Virginia. The website should allow providers to check at no cost a patient's eligibility for any of the participating health plans in one location rather than needing to access a separate website or database for each plan.

II. BACKGROUND

On July 1, 2007, a group of Virginia health care providers and health plans chartered VHEN with two explicit goals:

1) To adopt and apply the CAQH CORE Phase I operating rules to exchanges of eligibility transactions among Virginia payers and providers
2) To evaluate additional approaches for reducing costs of collection, payment, and approvals, and where justified, engage in further defined, collaborative, and measured efforts to streamline healthcare administration in the Commonwealth of Virginia

VHEN believes that this eligibility portal will serve as a vital tool in the effort to limit unnecessary administrative costs in healthcare in the Commonwealth of Virginia. By streamlining the process of data

exchange between providers and payers, the portal will serve to enhance the interoperability between these two parties. Most importantly, this portal will substantially reduce the amount of time and resources providers spend on administrative functions – time better spent with patients.

III. INSTRUCTIONS FOR RESPONSES

Respondents should submit a concise SOI that should include:

1) A brief statement of interest in pursuing the project for a Universal Eligibility Portal
2) An outline of the proposed structure of the portal as well as a brief description of how it will solve the need presented by this RFI
3) A road-map to implement the full HIPAA transaction set (eligibility, claims, remittances, referral/authorization) over time and an analysis of how this proposal will position VHEN to capitalize on data exchange opportunities in the future
4) A summary of topics or issues that will arise upon the implementation of this portal not identified by the RFI, as well as input on how to respond to those topics or issues

In keeping with VHENs previous commitment to adopting CAQH's CORE rules for members the eligibility portal should be designed to leverage CORE standards to speed the useful exchange of large transactions. Integrating the CORE standards into the eligibility product will allow both health plans and providers to benefit from increased information exchange as they move to adopt the CORE rules.

In a separate procurement, Virginia's Department of Medical Assistance Services (DMAS), which is the state agency responsible for managing the Commonwealth's Medicaid program, will be issuing a Request for Proposals (RFP) for implementation and maintenance of a HIPAA-compliant, web-based application for direct data entry of CMS-1500 and UB04 Medicaid claims. The target audience for using this application is small to medium-sized providers who currently submit paper claims. The RFP has a targeted release date of August 2008, with a projected implementation date of January 2009.

As part of its RFP, DMAS will require that all applications proposed support a multi-payer environment. In the response to this RFI, vendors are encouraged to propose solutions that would leverage this functionality for future integration into the VHEN web portal. This will support VHEN's future vision of a portal that is fully enabled to support all HIPAA transaction sets.

Staff will also conduct a dialogue with respondents as well as seek out more information in support of the response. As part of the dialogue process suggestions for improving responses may be given to respondents by staff. Updated responses will be accepted up until the deadline. Therefore, early responses are encouraged.

SOI's shall be returned by 4:00 PM Eastern Standard Time, Friday, August 15, 2008, by mail or electronically. Electronic responses should be addressed to: bevans@vhha.com. Include **Universal Eligibility Portal Response** in the subject line. Non-electronic responses will also be accepted. Please send to:

Virginia Healthcare Exchange Network
c/o Christopher S. Bailey
4200 Innslake Drive
Suite 203
Glen Allen, VA 23060

Electronic inquiries are preferred at bevans@vhha.com, however, respondents may also call 804-965-1218 for additional information.