



April 22, 2011

Christine Sakuda  
Hawaii Health Information Exchange  
900 Fort Street Mall Suite 1300  
Honolulu, HI 96813

Dear Ms. Sakuda,

The U.S. Department of Health and Human Services, Office of the National Coordinator for Health Information Technology (ONC) is currently reviewing Hawaii's strategic and operational plans submitted as part of the State Health Information Exchange Cooperative Agreement Program. As you are aware, before states may use federal funding for implementation, the state must obtain approval for their state strategic and operational plan from ONC.

During this phase of the program, ONC staff are reviewing strategic and/or operational plans that were submitted as part of cooperative agreement applications. In an effort to support the success of states participating in the program, ONC staff and objective reviewers have identified strengths and weaknesses of every plan. In this memo you will find a summary of strengths and weaknesses of your state plan, organized into general and domain-specific feedback. The section labeled "Positive Aspects" includes summarized positive feedback on your state plan. The section labeled "Issues and Concerns" summarizes areas needing additional elaboration or clarification in order for ONC to make a determination of approval.

In some instances, you may have provided information that addresses some of these issues and concerns in other sections of your Cooperative Agreement application. It is essential that Hawaii includes this information in the actual strategic and operational plans. The approval of these plans by ONC and the endorsement of these plans by HIE stakeholders within your state establishes evidence of alignment of your plans with the goals of the Cooperative Agreement program and willingness by stakeholders to support your plans.

### **General**

Hawai'i has presented a Strategic Plan that will leverage the existing health landscape that is dominated by major entities within the lab, pharmacy, provider and payer industries. In addition to leveraging the current market structure and the resources of the dominant players to enable statewide health information exchange, there is also an outreach program for smaller entities to be brought onto the HIE by the end of 2012.

The environmental scan includes some percentage numbers to illustrate market adoption/penetration, the drivers behind the current penetration, and the plans to address gaps. To deal with the uneven architectural and infrastructural sophistication of its health care stakeholders, Hawai'i HIE intends to take a hybrid architecture approach with an interface engine that will connect a federated architecture with centralized data storage.

As discussed at ONC's All Grantee's Meeting in Washington DC December 14<sup>th</sup>-16<sup>th</sup>, ONC believes a robust, bi-directional, query based exchange approach is not feasible to meet State HIE Program requirements as outlined in the July 6<sup>th</sup>, 2010 Program Information Notice (PIN) during the first year. Starting with secured messaging approach that is based on a "push" model is a more practical way for most states to implement the first phase HIE requirements and meet Meaningful Use Stage 1 requirements given time and resources constraints. The following observations should be read in context of helping Hawai'i think about using the secured messaging approach as a foundation for future statewide health information exchange.

### Issues and Concerns

- In terms of meeting Meaningful Use in 2011, across all three areas, it is clear that there will likely be large gaps in HIE coverage and the state's plan for centralized exchange will not enable many small players (e.g. independent physician practices, small labs, etc) to meet Meaningful Use in 2011.
  - While a clinical web portal to the HIE will be operative starting in Jan. 2011 with access granted to 300 physicians from the two largest medical groups, it likely will not meet stage one meaningful use requirements and it is not clear that every eligible physician will have one MU options by 2011. Please provide a strategy to provide all providers (e.g. independent physician practices) one option to meet Meaningful Use in 2011.
  - ONC recommends that employing a DIRECT project approach would enable less sophisticated entities to start gearing up for electronic exchange, start realizing business value, and meet the requirements for Stage 1 Meaningful Use in 2011. Additionally, secure messaging would allow for a lower cost of entry and allow for entities without current exchange infrastructure to participate early.
- The environmental scan does not specially provide metrics or a gap analysis for sharing of patient summary information across unaffiliated organizations. Additionally, no mention is given to point-to-point exchange as a means to enable data liquidity among independent providers in 2011.
- ONC requests that the Strategic and Operational Plan include a project management plan that outlines clear deliverables, outcomes, owners and specific timelines.
  - Additionally, the project plan should be mapped to the resources required. (e.g. projected staffing plan to meet goals)
- While the plan outlines a number of risks and possible mitigation strategies, it is unclear how participation and early engagement of independent physicians will be addressed. Specifically, how will value be discovered by independent physicians?
- ONC requests additional information regarding potential alignment of goals with the Hawai'i County Beacon Community.

### **Governance**

#### Positive Aspects

- Hawai'i HIE provides a good design of a governance structure that encourages stakeholder participation, leverages existing human capital and builds on stakeholder expertise.

#### Issues and Concerns

- The Plan could go further in addressing transparency (public access to meetings and minutes, reporting to public and stakeholders, etc) for planning and implementation phases.
- ONC requests additional information on the governance role of the state Medicaid agency.
- Due to the large retail market of pharmacies, board could benefit from a pharmacy representation. Please provide ONC with information addressing pharmacy representation on the Hawai'i HIE board.

**Finance**Positive Aspects

- Hawai'i HIE distributes responsibility for its financial controls through its committee structure, which established a Finance Committee consisting of key stakeholders.

Issues and Concerns

- ONC requests additional detail for oversight and management plans of the Cooperative Agreement funding to assure compliance with financial policies and procedures consistent with state and federal requirements.
- The operating cost statement for staffing estimates does not extend beyond the first year. ONC requests estimated staffing costs through 2014.
- ONC requests additional information on any other revenue expected from outside organizations to support the Hawai'i HIE
- Although the financial sustainability plan is not required at this time, as an SDE seeking implementation funding, ONC expects that Hawaii's State Plan can include reasonably mature discussion about value added services, alternative fee structures, other funding sources, and other issues impacting business and financial sustainability.

**Technical Infrastructure**Positive Aspects

- The plan indicates that state standards will be informed by national standards and stakeholder/vendor experts will assure that Hawai'i HIE will be compatible with these standards.

Issues and Concerns

As previously mentioned, adopting a secured messaging model would provide the foundation for all entities to participate in exchange and have an option to meet Stage 1 MU requirements in 2011. The lab strategy, as currently proposed in the Strategic and Operational Plan, does not align with a secure messaging model.

- For labs, the Hawaii HIE will create a common gateway for the largest two labs first and create outreach programs to encourage other labs to adopt the same gateway solutions. ONC is concerned that only the labs and providers that engage with the state early will be able to use this option to satisfy Meaningful Use in 2011, while others will have to wait until the gateway is complete and market pressures start forcing conformance. Please consider an alternative approach for providing greater numbers of providers access to lab results through a secured messaging service.
- It is unclear how Hawaii HIE will connect with independent, competing community initiatives. ONC requests specification on how Hawaii HIE will connect, coordinate or compete with other HIE initiatives.
  - Adopting a secure messaging model for labs would allow more time and resources to spend on getting independent labs exchanging through HHIE.

**Business and Technical Operations**Positive Aspects

- The state plans to bring the most established entities who are conducting some degree of internal or outward-facing electronic exchange onto the HIE within 6 months of 2011.

Issues and Concerns

- The current approach to building out the HIE architecture is divided into two stages. No specifics are given to describe the types of data/use cases being addressed in Stage 1. This type of infrastructure-then-functionality approach is vulnerable to several risks:
  - Stakeholder commitment: although stakeholders can provide input into Stage 1 architecture, they do not demonstrate any long-term commitment by actively exchanging data.
  - Potential for wasted resources: If resources are not correctly allocated before Stage 1 is complete, then the state is left with incomplete, unusable infrastructure that needs to complete build-out in order to work at all.
  - No iterative feedback from active users: the end-result of Stage 1 might be a platform that does not conform to the needs of active users as they would not be able to use it until it is fully designed.
- Please continue to evaluate the approach of starting with light weight, secure messaging as it will likely be the best approach to get active data exchange in the shortest period of time and with the least amount of resources.

### **Legal/Policy**

#### Positive Aspects

- The plan states that the Legal and Policy Committee is responsible for collecting and conducting analysis of legal and policy contexts, including at the state and federal levels, and identifying HI Subscription Agreements that will enable broad participation by HIE stakeholders.
- The HIE Subscription Agreements will acknowledge all the principles outlined in the HHS HIT Privacy and Security Framework.

#### Issues and Concerns

- The plan states the Executive Director of the Committee is preparing an RFP to engage legal assistance in order to bring relevant issues to legislative committees prior to the convening of the Hawai'i state legislature in January 2011. ONC is concerned with the tight timeframe between the RFP and convening of the state legislature.
- ONC requests additional detail on enforcement mechanisms to ensure that HIE stakeholders have appropriate safeguards for exchanging information.

### **Conclusion**

ONC looks forward to working with Hawai'i as the state works toward obtaining an approved plan. In order for the state to have an approved plan that will enable the state to move into implementation at the time of award, we need an updated plan that addresses the Issues and Concerns as described above. The updated plan should be accompanied by a table identifying updates and changes to the original version, and should be resubmitted no later than 1/28/11.

We suggest a conference call between key state representatives and ONC analysts to walk through the comments and answer any questions. Please contact me at 202-205-0470 or e-mail at [Christopher.Muir@hhs.gov](mailto:Christopher.Muir@hhs.gov) to set up this meeting.

Regards,

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