

**MINUTES OF THE JULY 27, 2011, MEETING
OF THE BUDGET & FINANCE COMMITTEE
OF THE GOVERNING BOARD OF THE
ILLINOIS HEALTH INFORMATION EXCHANGE AUTHORITY**

The Budget and Finance Committee (“Committee”) of the Board of Directors (the “Board”) of the Illinois Health Information Exchange Authority (“Authority”), pursuant to notice duly given, held a meeting at 2:00 p.m. on July 27, 2011, at the offices of the Office of Health Information Technology (“OHIT”), State of Illinois James R. Thompson Center, 100 W. Randolph, Suite 2-201, 100 W. Randolph St., Chicago, IL 60601.

<u>Committee Members Present:</u> 1. Dr. Bruce Wellman 2. Dr. Cheryl Whitaker 3. HFS – Director Julie Hamos (by telephone)	<u>OHIT Staff Present:</u> Mark Chudzinski; David Fagus; Ivan Handler
<u>Committee Members Absent:</u> 1. Mr. Mark Neaman	

Call to Order and Roll Call

Mr. Chudzinski, Secretary of the Board, confirmed the presence of the Members of the Committee noted above. Three of the four members of the Committee were in attendance; the ability of Director Hamos to clearly participate by telephone was confirmed, and no objection was expressed to her participation in this manner. The Secretary noted that the Authority’s Board at its meeting on June 22, 2011 had elected Dr. Wellman as Vice-Chair of the Board and Mr. Fagus as Treasurer; Dr. Wellman has also agreed to serve as the Chair of the Committee.

Approval of Minutes

The minutes of the meetings of the Committee of May 19, 2011 were approved.

Treasurer’s Report

Mr. Fagus reported that as of June 30, OHIT had spent approximately \$1.019M of its Federal ARRA grant, leaving approximately \$17.7 M. The Authority at present had no resources, other than those being provided on the Authority’s behalf by OHIT, and therefore there is nothing yet of substance to report regarding the Authority’s current financial status.

ILHIE Budget & RFP Update

Mr. Fagus provided information regarding the Request For Proposal (RFP) that the State of Illinois had issued through OHIT for the acquisition of the core services of the state-level Health Information Exchange (ILHIE), and reported that eleven (11) bids had been received. The Authority’s role in respect of the future ownership, maintenance and sustainability of the ILHIE was noted, as were some of the restrictions imposed by Illinois’ procurement law and Executive Ethics Commission procedures on the conduct of any State procurement process. The ability of

OHIT to record the presentations of those vendors that are invited to make presentations, and to enable members of the Authority Board to view those presentations, will be explored.

Mr. Fagus presented a draft budget for the Authority for the State's FY 2012 year, with the caution that this first draft was still in a preliminary stage. Until the vendor has been selected and a contract price has been determined, it is difficult to budget for the cost of the build out of the ILHIE core services. The current draft budget includes an estimated cost of \$37M, based largely upon the HIE costs of the State of Pennsylvania, towards which \$14.4M of the OHIT's Federal ARRA funds are currently earmarked. The budget does not make provision for the distribution by OHIT to emerging local/regional HIE initiatives in Illinois of any of the ARRA funds. It is presently estimated that an additional \$25M needs to be raised to fund the ILHIE core services implementation, half of which would be needed during FY2012.

Review of Revenue Opportunities

Mr. Ivan Handler, OHIT's Chief Technical Officer, provided an overview of the ILHIE core services. His presentation will be offered again to the entire Authority Board at its Committee of the Whole webinar meeting on August 10, 2011. While the ILHIE core services will enable connectivity among ILHIE participants for the exchange of health information, the ILHIE can also be viewed as an IT platform which will enable the provision of IT services which utilize one or more of the ILHIE core services. Significant among such anticipated users of the ILHIE's platform are the agencies of the State of Illinois engaged in the health care services. The various directories created and maintained by the ILHIE (e.g. patients, providers, payers, public health agencies) can be used by existing State systems such as the Medicaid Management Information System (MMIS), the Provider Incentive Payment (PIP) program, and the immunization and other registries of the Department of Public Health, for which the ILHIE should collect appropriate fees. When made available to users in the private sector, a thoughtfully-developed platform could serve to stimulate the development of new software applications and services of value to Illinois patients and healthcare providers. The access to a large volume of medical data which the ILHIE core services will enable can also become at some future date a potential service that the ILHIE can offer, with appropriate privacy and security safeguards, to medical researchers, payers, ACOs, quality monitoring entities and others to advance healthcare quality improvement. The ILHIE would provide such services on a fee-for-service or other appropriate revenue-generating basis.

Mr. Fagus shared with the Committee certain summary information regarding HIE activities in the US which has been made available by eHealth Initiatives on the basis of their 2011 HIE survey. The top five clinical support functions that are being provided today by HIEs classified as "advanced" were: (1) technical assistance for implementation with clinicians; (2) workflow modification guidance for clinicians; (3) technical assistance for implementation in hospitals; (4) hosting support hotline for providers; and (5) Liaison between public and private IT efforts in service area. The top five non-clinical value-add support functions were: (1) aggregation of administrative transactions; (2) billing services; (3) charges for providing access to provider and provider related databases; (4) credentialing services; and (5) distribution services, such as distributing reports to physicians.

Mr. Fagus also reported on his outreach to HIEs in the States neighboring Illinois to obtain information regarding the services being offered through those HIEs, as well as prospective services being contemplated. Two of the neighboring States with operating HIEs in an advanced stage, Indiana and Kentucky, provide quality reporting and data analytics services among their additional HIE services. Further research regarding the activities of HIEs in other States, such as Utah, will be pursued.

The Committee discussed various services that the ILHIE might be able to provide, certain of which, such as the centralized storage of data-intensive clinical imaging reports, envision the development at the state-level ILHIE of certain repositories of clinical data. Mr. Handler noted that the storage by the ILHIE of clinical data consistent with the highest standards for protecting and securing such data could be a service that participants in the ILHIE may find to be of value; in addition to ensuring their compliance with relevant privacy and security requirements, the ILHIE might be able to provide IT services to data custodians at a lower cost than they could individually obtain themselves.

In the Committee's discussion it was suggested that Authority needs to develop and communicate a clear strategic vision of the ILHIE's role and future services. The strategic vision should consider the role of emerging local/regional HIE initiatives in Illinois, and the avoidance of unnecessary duplication. The Authority faces a formidable challenge in aligning the ILHIE with Federal and State laws and policies, evolving technologies, emerging local/regional initiatives, and the limited resources that are available (which may not be sufficient to support multiple or overlapping HIE initiatives). The work of considering and discussing a strategic vision for the ILHIE could be addressed by the entire Board at a future meeting as a Committee of the Whole. Dr. Whitaker advised that she may be able to invite the CEO of eHealth Initiatives to share with the Board the findings of their 2011 HIE survey and discuss with the Board their observations regarding HIE sustainability. Consideration should also be given to receiving additional information from the emerging local/regional HIE initiatives in Illinois about their status (supplementing the information they provided at the Authority's Board meeting on June 22, 2011).

Public Comment

There were no comments offered from the general public.

Adjournment

The meeting was adjourned at 4:00 p.m.

Minutes submitted by:
Mark Chudzinski, Secretary