

Resolution Number 2012-13

Resolution Regarding Implementation of a Principle-Based Pricing Strategy
of the Illinois Health Information Exchange Authority

BE IT RESOLVED BY THE ILLINOIS HEALTH INFORMATION EXCHANGE
AUTHORITY, AS FOLLOWS:

Section 1. Authority. This resolution is adopted pursuant to Section 15(e) of the Illinois Health Information Exchange and Technology Act, 20 Illinois Compiled Statutes 3860/1 et seq. (the "Act").

Section 2. Implementation of Principle-Based Pricing Strategy.

WHEREAS, the Budget and Finance Committee of the Board has reviewed a Principle-Based Pricing Strategy prepared by the Treasurer regarding the commercial terms pursuant to which various services of the Illinois Health Information Exchange (ILHIE) are offered to various anticipated participants in the ILHIE, and has recommended its approval by the Board;

WHEREAS, the Board has reviewed the proposed Principle-Based Pricing Strategy, reflected in Attachment 1 to this Resolution;

WHEREAS, the Board wishes to direct the Authority's Acting Executive Director to take further action for the implementation of the recommended Principle-Based Pricing Strategy, with authority and discretion to modify the commercial terms that are offered by the Authority for various ILHIE services to anticipated participants in the ILHIE;

RESOLVED, the Board hereby directs Raul Recarey, as Acting Executive Director of the Authority, to prepare and offer commercial terms pursuant to which various services of the Illinois Health Information Exchange (ILHIE) are offered to various anticipated participants in the ILHIE which reflect the Principle-Based Pricing Strategy, with authority to modify the commercial terms that are offered by the Authority to any anticipated participant in the ILHIE as he in his discretion deems necessary or desirable.

Section 3. Enactment. This resolution shall take effect immediately. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Adopted this 14th day of November, 2012, by a majority vote of the appointed members as follows:

Ayes: 7
Nays: 0
Abstain: 0
Absent: 2
Vacancies: 0

Mark A. Chudzinski, Secretary

Attachment 1: Principle-Based Pricing Strategy

Table 1: strategic pricing principles

1	Identify and define Illinois HIE market landscape
2	Develop a market segmentation approach for prospective customer categories within the Illinois HIE market landscape
3	Stratify prospective customer categories based on key business or financial parameters
4	Initiate ILHIE process and related activities to determine pricing applicable and appropriate to the prospective customer entity
5	Ensure market alignment of the ILHIE Principle-Based Pricing Strategy

Table 2: Stratify prospective customer categories based on key business or financial parameters

Prospective Customer Category	Stratification of Prospective Customer Category
Physician Practices (including Dental and Behavioral Health entities)	Based on the number of providers per organization: <ul style="list-style-type: none"> ▪ Over 75 providers ▪ 51 – 75 providers ▪ 26 – 50 providers ▪ 11 – 25 providers ▪ Up to 10 providers ▪ Federally Qualified Health Centers (FQHC)
Single Hospital Organizations	Based on the number of beds (and/or corresponding bed utilization and related revenues) <ul style="list-style-type: none"> ▪ Over 750 licensed beds ▪ 501 – 750 licensed beds ▪ 251 – 501 licensed beds ▪ 101 – 250 licensed beds ▪ 51 – 100 licensed beds ▪ 25 – 50 licensed beds ▪ Under 25 licensed beds
Integrated Delivery Networks	Based on the aggregate number of hospitals under one parent entity (and/or corresponding bed utilization and related revenues) <ul style="list-style-type: none"> ▪ 5 or more hospitals, with a single HIE connection ▪ 3 – 4 hospitals, with a single HIE connection ▪ Up to 2 hospitals, within a single HIE connection
Community Health Care Centers / Clinics	Based on the number of health care providers <ul style="list-style-type: none"> ▪ 26 or more health care providers ▪ Up to 25 health care providers

Attachment 1: Principle-Based Pricing Strategy

Prospective Customer Category	Stratification of Prospective Customer Category
Long-Term Care Facilities	Based on number of beds (and/or corresponding bed utilization and related revenues) <ul style="list-style-type: none"> ▪ Over 300 beds ▪ 200 – 299 beds ▪ 150 – 199 beds ▪ 100 – 149 beds ▪ 50 – 99 beds ▪ Under 50 beds
Regional/Local HIEs	Based on number of providers <ul style="list-style-type: none"> ▪ 76 or more providers ▪ 51 – 75 providers ▪ 26 – 50 providers ▪ Up to 25 providers
Illinois State Agencies	Based on individual state agencies, for example: <ul style="list-style-type: none"> ▪ Department of Health & Family Services ▪ Department of Human Services ▪ Department of Children and Family Services ▪ Department of Insurance ▪ Department of Public Health
Commercial Health Insurance Organizations	Based on the number of covered lives <ul style="list-style-type: none"> ▪ Over 500,000 covered lives ▪ 100,000 – 500,000 covered lives ▪ Under 100,000 covered lives
Laboratory Facilities	Based on affiliated group or independent entity <ul style="list-style-type: none"> ▪ Affiliated group of laboratories ▪ Independent laboratory facility
Pharmacies	Based on a chain of pharmacies or independent entity <ul style="list-style-type: none"> ▪ Pharmacy Chain (over 15 locations) ▪ Pharmacy Chain (up to 15 locations) ▪ Independent pharmacy