

HEALTH DEPT**PROGRAM: POLICY QUALITY & COMPLIANCE**

Change Item: E-Health Grants

Fiscal Impact (\$000s)	FY 2008	FY 2009	FY 2010	FY 2011
Health Care Access Fund				
Expenditures	\$7,500	\$11,000	\$11,000	\$0
Revenues	0	0	0	0
Net Fiscal Impact	\$7,500	\$11,000	\$11,000	\$0

Recommendation

The Governor recommends a Health Care Access Fund appropriation of \$7.50 million in FY 2008 and \$11.00 million in FY 2009 and 2010 for investments in health information technology (HIT) to improve patient safety, interconnect clinicians and communities, and strengthen and improve public health in Minnesota.

Background

The introduction of health information technology and electronic health records is transforming health care from a manual and burdensome world of paper records to a modern, interconnected world of electronic information. Electronic health records enhance the availability and accuracy of patient data, provide powerful decision support tools to improve clinical care, readily enable reports for improving quality, safety, and consumer satisfaction, and help protect communities in times of need. In Minnesota, many hospitals, clinics, and health systems have significantly invested in implementing electronic health records and other health information technologies. However, in some settings, especially in rural and underserved urban areas and local health departments, significant gaps remain in the adoption of HIT that result in inequitable delivery of health care services.

This proposal:

- ⇒ Continues and enhances the matching grant program to rural health care providers and underserved areas of Minnesota for adoption of interoperable electronic health records and personal health records.
- ⇒ Supports implementation of the Minnesota Public Health Information Network project to update local health department systems.
- ⇒ Supports technical assistance to grantees and local public health departments.

Interoperable Electronic Health Record Grants

This initiative builds on Governor Pawlenty's 2006 request of \$12 million for matching grants to establish interoperable electronic health records in rural and medically underserved areas of Minnesota, for which the Minnesota Legislature ultimately appropriated \$1.5 million (<http://www.health.state.mn.us/e-health/grntprgrm0607/index.html>). The resulting grant program set out in M.S. 144.366 supports providers and public health agencies that frequently cannot fully afford the conversion to health information technology. This recommendation continues and extends that program to support the purchase and implementation of interoperable electronic health record systems for providers and settings of care who are at an implementation stage, as well as planning grants to support development work for providers and communities who are not yet at the implementation stage. The 2006 grant program demonstrated the significant unmet need in the rural and underserved health care community, as the Department of Health (MDH) received substantially more requests for funding than the program was ultimately able to provide (19 requests were received; 12 projects were funded).

Minnesota Public Health Information Network (MN-PHIN)

This initiative also proposes funding for upgrading local health department information systems as part of the MN-PHIN. The 2004 Minnesota Legislature directed MDH to prepare a plan for the development and implementation of a statewide public health data management system to improve and protect the health of Minnesotans. Upgrading the electronic health records used by local health departments is a critical step in narrowing the HIT gap between private health care and governmental public health. We need to rapidly re-tool public health information systems at the community level so they can readily and securely exchange electronic health information with community health care providers, laboratories, and hospitals. Public health's lack of current capacity to electronically exchange data is rapidly becoming a major frustration for private-sector health care organizations that are investing millions developing their own information systems. This recommendation addresses these needs and implements the MN-PHIN plan developed jointly with the local health departments by:

- ◆ creating more uniformity across fundamental business processes and public health information systems;
- ◆ ensuring public health can electronically and securely exchange health information with the private health care sector by adopting newly released national data standards; and
- ◆ using health information technology in more effective, efficient, and integrated ways to improve services for individuals, families, and communities.

This Governor's initiative is consistent with the recommendations of the Health Information Technology and Infrastructure Advisory Committee established in M.S. 62J.495 to advance the use of interoperable, electronic health records across the state. The public-private advisory committee has issued a series of recommendations for action and has identified the need for public funding to adequately advance the statewide use of health information technology, particularly in rural and underserved urban areas of the state. This initiative supports the advisory committee's recommendations by providing matching grants and technical assistance to achieve Minnesota's overall vision and goals for E-health:

- ⇒ **Informing Clinical Practice** by using health information technology to support high quality, safe and efficient health care.
- ⇒ **Interconnecting Clinicians and Communities** to ensure that health care providers have access to the information needed to provide the best possible health care.
- ⇒ **Personalizing Care** by empowering consumers with information to make informed health care decisions.
- ⇒ **Improving Population/Public Health** through accessible prevention resources and through the rapid detection and response to community health threats.

This initiative is also consistent with the Governor's disease surveillance modernization initiative, which upgrades MDH's information systems to comply with federal standards. By ensuring the use of common electronic standards, these two Governor's initiatives will jointly support early detection of disease events, electronic communication between partners, improved management of disease outbreaks, electronic laboratory reporting, and rapid dissemination of information to the clinical care community.

Relationship to Base Budget

This recommendation uses new funding from the Health Care Access Fund to continue the Interconnected Electronic Health Record Grants Program and to support other statewide E-Health activities. Funds appropriated for this recommendation will be used in four primary activities:

- ⇒ **Provide Matching Grants** to rural providers, underserved areas, and other eligible grantees to support expanded use of health information technology and electronic health records as specified in the Interconnected Electronic Health Record Grants program (M.S. 144.366).
- ⇒ **Support Minnesota's Public Health Information Network** to ensure that state and local health departments have the information systems, policies, and technical expertise necessary to meet their mission.
- ⇒ **Provide Technical Support and Assistance** to grantees and local health departments to ensure coordination of grantee projects around national standards and E-Health activities.

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Change Item: E-Health Grants

Activities Supported (\$000s)	FY 2008	FY 2009	FY 2010	FY 2011
Provide Matching Grants to Rural and Underserved Areas	\$6,250	\$10,000	\$10,000	
Grants to Support the Implementation of Minnesota's Public Health Information Network	500	250	250	
Provide Technical Support and Assistance	750	750	750	
Total	7,500	11,000	11,000	
Grants by Fiscal Year				
	FY 2008	FY 2009	FY 2010	FY 2011
Planning Grants @ \$50,000	9	10	10	
Implementation Grants @ \$200,000 - \$750,000	12	20	20	

Key Measures

This grant program would, with its continued implementation, result in:

- ⇒ By 2012, 66% of inner city community clinics and at least 50% of rural primary care clinics in cities of less than 50,000 population will have implemented or begun to implement interoperable electronic health records and/or other health information technology.
- ⇒ By 2011, statewide consensus standards and requirements will be established for local health department information systems to ensure interoperability across public health agencies and with healthcare providers.
- ⇒ By 2012, all local health departments will be upgrading information systems to adhere to the new standards.
- ⇒ By 2012, all relevant information systems within MDH will have adopted national data standards for health information exchange, as well as privacy and security standards.

Statutory Change: M.S. 144.366

Fiscal Impact (\$000s)	FY 2008	FY 2009	FY 2010	FY 2011
Health Care Access Fund				
Expenditures	\$2,000	\$2,000	\$2,000	\$2,000
Revenues	0	0	0	0
Net Fiscal Impact	\$2,000	\$2,000	\$2,000	\$2,000

Recommendation

Governor recommends a Health Care Access Fund appropriation of \$2 million each fiscal year to develop and implement an integrated state-wide disease surveillance system that will comply with emerging national standards and requirements. The new system will improve the detection and response to bio-terrorism events, disease outbreaks such as pandemic flu, and trends in chronic diseases such as cancer and diabetes. This proposal complements the E-Health proposal because it enables the Minnesota Department of Health (MDH) to exchange data electronically with partners who are investing in electronic health information technology.

Background

The Centers for Disease Control (CDC) and the state of Minnesota have traditionally supported the MDH in its statutory obligation to monitor the occurrence of diseases, respond rapidly to outbreaks, and develop and implement strategies for preventing and controlling diseases. This activity will help protect and improve the health of Minnesotans. Traditionally, federal support for these kinds of systems has occurred primarily on a disease-by-disease basis. The new system will ease the burden on hospitals, laboratories and local health departments to report data on a wide range of disease issues. This will improve MDH's ability to analyze data on critical health issues and respond appropriately.

The public health communities (local, state, and federal) now recognize that interoperable and integrated information systems are critical to the public's health. Efforts to develop and migrate to those systems have begun. The private sector is investing hundreds of millions of dollars to implement electronic health records that comply with emerging national standards and requirements. The goal is a nationwide interoperable health information technology infrastructure to improve the quality and efficiency of health care and the ability of consumers to manage their care and safety. An additional goal is to transform public health by coordinating its public health functions and organizations to support early detection of disease events, electronic communication between partners, improved management of disease outbreaks, electronic laboratory reporting, and rapid dissemination of information to the clinical care community and the public. In Minnesota, the legislature authorized the creation and support of a statewide e-Health initiative that is laying the groundwork for secure health information exchange.

Just as the state made large investments to implement health care systems that were compatible with the 1996 Health Insurance Portability and Accountability Act (HIPAA), MDH now needs to make investments to comply with federal requirements and to keep pace with the expectations of partners.

This proposal does not expand the surveillance authority of the MDH, but simply makes technological improvements to meet the growing needs for disease surveillance and prevention and control of those diseases.

Examples of needed investments include the following:

- ◆ Implementation of interoperable systems to ensure secure exchange with partners;
- ◆ integration of systems to improve efficiencies within the department;
- ◆ implementation and maintenance of secure messaging among partners using national security standards;
- ◆ strong authentication and authorization to assure appropriate access;
- ◆ 24/7/365 notification and support; and,
- ◆ auditing to ensure security requirements are met.

Several of our critical surveillance systems are aging and are in great need of modernizing. Making these aging systems compliant with national standards would be a poor use of resources. The most cost-effective solution –

and the one that has the greatest potential to further protect and improve the health of Minnesotans – is an integrated statewide disease surveillance system.

The outcomes for this initiative will be an integrated and efficient disease surveillance system that:

- ◆ is compliant with emerging federal requirements;
- ◆ enables MDH to meet the needs of our private and public sector reporting partners through standardized electronic exchange of disease information;
- ◆ improves monitoring and analysis of disease information and trends;
- ◆ improves responses to outbreaks, incidents and emergency incidents;
- ◆ increases capacity to report trends and patterns to improve the quality of healthcare and to empower consumers with timely prevention information; and
- ◆ integrates with MN-PHIN and Minnesota e-health initiatives.

This proposal has several components – planning, modernizing the department’s cancer surveillance system, and coordinating the department’s disease reporting.

Planning: The department needs to develop a detailed roadmap, business process requirements, and functional specifications for key disease surveillance systems with a detailed plan for upgrade to national standards. This will involve working with many stakeholders and partners, including MDH staff and partners (local public health and private sector partners) in a complete analysis of surveillance activities.

Minnesota Cancer Surveillance System (MCSS) Modernization: The re-engineering of the MCSS is imperative due to its age and the difficulty in staffing and maintaining the existing system. This initiative ensures that the state will continue to have accurate information about cancer occurrence.

- ⇒ Year one - conduct business/process analysis in conjunction with other disease surveillance activities.
- ⇒ Year two - evaluate and procure cost estimates for a modernized cancer surveillance system.
- ⇒ Years two and beyond - based on business requirements, develop and implement a cancer surveillance system using secure and efficient technologies that include electronic data exchange and national standards. The resulting system will be integrated and interoperable according to MDH and CDC requirements and within the limits of Minnesota Law.

Disease Reporting Coordination: Coordinating and integrating the reporting and analysis of all disease data is critical to supporting the timely detection of and response to diseases and other emergencies. The results will be consolidated reporting of disease to MDH and satisfaction of reporting requirements to CDC in a more efficient and effective manner, and more real-time data collection and analysis and reporting to partners. This effort will involve staff from infectious disease, acute disease and environmental health at the state, local and federal levels.

- ⇒ Year one - conduct business/process analysis in conjunction with other disease surveillance activities.
- ⇒ Year two - evaluate and develop cost estimates for an integrated infectious disease surveillance system.
- ⇒ Years two and Beyond - based on business requirements, procure and implement an infectious disease surveillance system using secure and efficient technologies that include electronic data exchange and national standards. The resulting system will be integrated and interoperable according to MDH and CDC requirements and within the limits of Minnesota Law.

Relationship to Base Budget

There currently is no funding in the department’s base budget for this activity. While the NHIN/PHIN standards and requirements are in place, the CDC has not provided states additional funding. Updating our systems to be compliant must be done using existing or new state funds and/or existing federal funds.

Current funding for the current MCSS supports the on-going operations only. Other disease reporting is funded by both state and federal sources, but federal funding has been reduced and is unlikely to return. Modernization cannot happen without additional funds, as the existing system must be maintained until a new system is available. MDH’s ability to improve or develop new systems for disease reporting, particularly in a way that is comprehensive and integrated, is dependent on additional funding.

This initiative is a parallel proposal to the E-Health initiative that expands the capacity for secure electronic health information exchange for local public health.

Key Measures

- ⇒ By January, 2008 the selection of a solution for integrated and interoperable disease surveillance systems
- ⇒ By January, 2009 the completion of a modernized cancer surveillance system
- ⇒ By January, 2010 the modernization of two or more infectious disease reporting/surveillance programs
- ⇒ By January, 2011 the modernization of key disease surveillance systems

Statutory Change: Not Applicable