



Health Information Exchange Oversight

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Fund (SGSR)				
Expenditures	101	124	157	124
Revenues	95	124	157	124
Net Fiscal Impact	(6)	(0)	(0)	(0)

Summary

This bill updates the Health Information Exchange (HIE) oversight program to address changes and growth in the HIE market, to better align with national HIE standards, and to provide needed clarity for HIE service providers and the health care providers who use their services. Proposed changes will update definitions of health information exchange service providers to reflect current mechanisms through which exchange of health information occurs, streamline the certification process, and simplify the fee structure for HIE certifications and re-certifications.

Background

In order to improve quality of care for patients with complex needs, Minnesota’s health care providers need to securely exchange health information to support care coordination across settings and between providers. In recognition of the critical need for secure exchange of health information, Minnesota established a requirement that all Minnesota health care providers must have an interoperable electronic health record system that is connected to a state-certified health information exchange entity by 2015 (M.S. 62J.495).

To be a certified health information exchange entity in Minnesota, potential HIE service providers must demonstrate they can meet Minnesota’s interoperability requirements in M.S. 62J.498 - 62J.4982, follow national standards, and exchange patient data securely and seamlessly to provide high quality, coordinated care at reduced cost. The process includes a public hearing and submission of detailed information on governance and staffing, financial solvency, strategic and operational plans, services provided and fees charged, technical capacity, compliance with privacy/security requirements, and business processes. MDH expects to certify or recertify approximately 10 to 13 HIE organizations in FY 2015.

Proposal

This proposal updates Minnesota’s health information exchange oversight law to:

1. Update statutory definitions to recognize new mechanisms for HIE that have developed since the law was passed, and provide clarity to both providers of and users of these services.
2. Deem national certification and accreditation programs for HIE as meeting

certain Minnesota certification requirements, decreasing administrative burden on applicants and reviewers.

3. Streamline the certification process for regional HIE organizations based on the current national standards for HIE products and services.
4. Simplify the fee structure. Under the current law, Health Information Organizations (HIO) pay \$24,500 for initial certification and \$14,000 for recertification. Health Data Intermediaries (HDIs) pay \$14,000 for initial certification and \$7,000 for recertification. This proposal will create one fee structure for both types of organizations, with initial certification at \$14,000 and recertification at \$7,000.
5. Provide additional resources for certification, management and oversight of Minnesota's health information exchange market. As new providers seek certification based on the updated definitions, the HIE market in Minnesota is expected to expand from 10 providers in FY 2015 to 31 providers by FY 2018. With the number of certifications expected to triple, this proposal roughly doubles the current appropriation to accommodate the additional certification work.

needs. Further, national certification is now available through voluntary mechanisms, such as Electronic Healthcare Network Accreditation Commission (EHNAC), rendering some Minnesota-specific requirements unnecessary.

In Minnesota's current market, only two of the six current mechanisms for health information exchange are covered by Minnesota's oversight law. Exchange occurring outside of the certification process means that the state has no means to ensure that necessary privacy, security, and interoperability goals and standards are met. Further, those organizations offering HIE services are unclear whether or not they fall under Minnesota's current definitions. As a result, health care organizations have expressed concern about potentially failing to meet Minnesota's interoperable electronic health records mandate through a connection with a state-certified health information exchange organization.

Rationale

When Minnesota's HIE oversight law was established, HIE was in its infancy, and it was not clear how the market would evolve to meet the demands of providers for different types of exchange. As demand has grown and shifted, and as new mechanisms for HIE have developed, Minnesota's 2009 HIE oversight law has become inadequate to address the wide variation in exchange models or to keep pace with market demand and rapidly changing privacy/security