

**Health Information Exchange**

**FY2023 Request: \$6,120,000**  
**Reference No: 63908**

**AP/AL:** Appropriation

**Project Type:** Information Technology / Systems / Communication

**Category:** Health/Human Services

**Recipient:** Various

**Location:** Statewide

**House District:** Statewide (HD 1-40)

**Impact House District:** Statewide (HD 1-40)

**Contact:** Amy Burke

**Estimated Project Dates:** 07/01/2022 - 06/30/2027

**Contact Phone:** (907)465-1624

**Brief Summary and Statement of Need:**

The department is requesting capital funding due to the Health Information Exchange (HIE) transitioning for Health Information Technology for Economic and Clinical Health (HITECH) funding to Medicaid Management Information System/Medicaid Enterprise Systems (MMIS/MES) funding. Without the funding, the HIE cannot be successfully transitioned to operations, and the underlying infrastructure would not be supported. Additionally, the HIE has been approved to receive 90% federal with 10% state match funding for the development of a Request for Proposal (RFP) competitive bid. The RFP will maximize the Centers for Medicare & Medicaid Services (CMS) decade-long investment in HIE infrastructure.

<b>Funding:</b>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>Total</u>
1002 Fed Rcpts	\$900,000						\$900,000
1004 Gen Fund	\$5,220,000						\$5,220,000
<b>Total:</b>	\$6,120,000	\$0	\$0	\$0	\$0	\$0	\$6,120,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> Ongoing
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

This request is associated with several prior requests relating to the State's Health Information Exchange (HIE) and Health Information Infrastructure.

**Project Description/Justification:**

**Project Description/Justification**

The Department of Health and Social Services (hereafter the department) is required under statute to establish and implement a state Health Information Exchange (HIE) system. The HIE was established in 2010 under SB 133 and is codified into AS 18.23.300. The HIE connects Alaska hospital and provider Electronic Health Record (EHR) systems to provide optimal care to patients across the state's health care system. Additionally, the HIE provides electronic reporting capabilities to the divisions of Public and Behavioral Health, reducing provider burden and increasing timeliness of these

important health data. Without the HIE, patients and providers do not have access to a comprehensive health record, which can result in increased health care costs and duplicative service delivery.

The department is requesting capital funding due to the HIE transitioning from Health Information Technology for Economic and Clinical Health (HITECH) funding to Medicaid Management Information System/Medicaid Enterprise Systems (MMIS/MES) funding. Without the funding, the HIE cannot be successfully transitioned to operations, and the underlying infrastructure would not be supported. Additionally, the HIE has been approved to receive 90% federal with 10% state match funding for the development of a Request for Proposal (RFP) competitive bid. The RFP will allow the state to maximize the Centers for Medicare & Medicaid Services (CMS) decade-long investment in HIE infrastructure, Alaska will need to make strategic decisions about HIE related activities which includes but is not limited to personnel expenses, contracts, HIE operating costs, and planning activities to stabilize the HIE. The Alaska HIE is essential and allows for the ability to exchange health care data and patient records between relevant stakeholders in a safe, efficient, effective, equitable and patient-centered care environment. The objective of this capital appropriation request is to ensure a smooth transition of the HIE, all HIE administrative duties and ensure the stability of the HIE.

### **What is the purpose of the project?**

The purpose is to meet the state's obligations to establish an electronic HIE. Since 2011, the HIE has been supported at a rate of 90% federal financial participation with a 10% state match (90/10). Starting October 1, 2021, the HIE is no longer eligible for 90/10 funding under HITECH and is transitioned to MMIS/MES funding. The MMIS/MES funding requires a Medicaid cost allocation that drastically reduces the eligibility of funds for the HIE.

The contract with the current HIE vendor ends in May 2022. The state requested funds (which were approved by CMS at a 90/10 match) to develop a competitive bidding RFP via the "best value" process, which will ensure the state contracts with the most capable entity for managing the HIE.

The project history is as follows:

- 2010: \$26,675,000 appropriated for SB133 Health Information Exchange and Health Information Infrastructure.
- 2013: \$3,277,260 appropriated for the Health Information Gateway. NOTE: This appropriation is pending a scope change submission for language clean up in order to access funds.
- 2014: \$2,000,000 appropriated for the Health Information Exchange.
- 2017: \$2,863,000 appropriated for Health Information Infrastructure and connections to the HIE, including:
  - Pharmacies
  - Prescription Drug Monitoring Program Health Information Infrastructure
  - Alaska Psychiatric Institute and behavioral health providers
- 2018: \$7,628,548 appropriated for the Health Information Exchange and Health Information Infrastructure.
- 2022: \$4,080,908 appropriated for the Health Information Exchange.

**Is this a new systems development project? Or, an upgrade or enhancement to existing department capabilities?**

This project is continued development of an existing system.

**Specifically, what hardware, software, consulting services, or other items will be purchased with this funding? Include a line item breakdown.**

State Personnel, including benefits	State Support	\$0
Travel, Training, Conferences, other administrative (postage, computer, paper, etc.)	State Support	\$0
Contractor Costs	Contracted Service	\$6,000,000
Capital Funds Administration	Capital Improvement Project	\$120,000
<b>Total</b>		<b>\$6,120,000</b>
<b>Total Federal Financial Participation (18%)</b>		<b>\$1,076,400</b>
<b>Total General Funds (10%)</b>		<b>\$5,043,600</b>

**How will service to the public be measurably improved if this project is funded?**

The Alaska HIE is essential and allows for the ability to exchange health care data and patient records between relevant stakeholders in a safe, efficient, effective, equitable and patient-centered care environment. The department has been working on developing and building an HIE for over a decade. Continuing operation of the HIE provides vital services for providers and patients.

**Will the project affect the way in which other public agencies conduct their business?**

If this proposal is not enacted, there are many operational consequences for the department as well as the state health care system due to already existing connections through various public health registries, behavioral health connection to the Administrative Services Organization under the 1115 behavioral health waiver, and electronic COVID-19 test reporting will be disrupted.

**What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)**

The potential out-year cost implications are significant because starting October 1, 2021, the HIE is only eligible for funding based on a CMS approved Medicaid Cost Allocation. Current data shows the state will be going from 90% federal funds to 18% federal funds. By approved this project request it allows the state to award a new HIE contract via RFP and explore alternative funding opportunities for the state.

**What will happen if the project is not approved?**

If this proposal is not enacted, the state faces the potential of the HIE system collapsing due to the significant decrease in federal funding. The HIE has over 500 thousand patients and 32 hospitals participating. It is critical for the HIE to continue operations serving both providers and patients.