

SB 133 – Electronic Health Info Exchange

Questions and Answers

1. Impact of developed AeHN to sole practitioner
 2. Does North Sound Support?
 3. \$27 million fiscal note includes federal dollars – if we don't get the federal stimulus funding have we obligated the state to \$27 million general funds?
 4. Why does the fiscal note include 6 positions?
 5. What happens if this bill doesn't pass this year?
 6. What "strings" are attached to the stimulus funding?
 7. Do we need the state match?
-

1. Impact of developed AeHN to sole practitioner?

SB 133 does not mandate any provider to implement (Electronic Health Records) EHRs or to join the Health Information Exchange (HIE) system.

It is anticipated that any provider could join the network for a minimum membership fee of \$50/year. Additional fees would be charged for additional services such as practice work flow design and use of an ASP (application service provider) model EHR. By utilizing a shared network to exchange data, the cost to private providers is greatly decreased.

The real benefit to providers is in the connectivity. While the provider may be able to implement a local EHR, the real need is to have access to data in other provider EHRs. This is what will provide "meaningful use". Note that meaningful use is still being defined by CMS (Center for Medicare/Medicaid Services), but connectivity has been identified as one of the criteria.

Submitted by Sen Paskvan

2. Does Norton Sound support?

All of the regional organizations including Norton Sound have signed letters of agreement to participate in the FCC network build out for the non-profit AeHN and are participating in the ongoing health information exchange planning process.

The health information exchange does not provide the regional corporations with EHRs, but does connect the EHRs currently being installed at regional locations with the ANTHC EHR and the rest of the state.

3. \$27 million fiscal note includes federal dollars – if we don't get the federal stimulus funding have we obligated the state to \$27 million general funds?

The current fiscal note is based on a state-developed Health Information Exchange (HIE), with state employees. However, SB 133 allows the state to designate an entity other than itself to plan and implement the system. This approach would avoid costs of state employees and place the costs in a non-profit, user supported entity.

Below may be considered alternative fiscal note summary language which would identify the actual costs to the state based on the cost estimates prepared by the non-profit AeHN:

2010	\$1.3M (stimulus match) plus \$65K (1 FTE for a oversight position)
2011	\$1.0M (stimulus match) plus \$65K (1 FTE for a oversight position)
2012	\$1.0M (Operations membership fee) plus \$65K (1 FTE for a oversight position)
2013	\$1.0M (Operations membership fee) plus \$65K (1 FTE for a oversight position)
2014	\$1.0M (Operations membership fee) plus \$65K (1 FTE for a oversight position)

The AeHN Business Plan shows the cost being borne by all of the stakeholders not just the state. The State's ongoing bill is \$1M. This amount is offset by a potential savings to Medicaid of \$10M.

4. Why does the fiscal note include 6 positions?

The state is projecting the entire project cost in the fiscal note if the state were to fully implement it on its own. With SB 133, the state has the option to designate another entity while maintaining oversight.

The state oversight may be handled by 1 FTE. A second position may be required for Finance. The other positions are part of the HIE and would be covered in the sustainable model by revenues generated through user fees.

5. What happens if this bill doesn't pass this year?

Passing this bill would cement the state's involvement in the HIE project, demonstrate the state's commitment to HIE, require a standards based approach, and solidify privacy standards on Alaska's terms. Other states are moving forward with a similar approach. With the availability of stimulus funds, and additional competitive grants, passing this bill would put a designated entity in a better position to be awarded additional funding.

If it doesn't pass, the HIE project would not have the match required to apply for regular grants, stimulus grants or the stimulus match required funds. Essentially, the existing work done to bring Alaska along with the rest of the nation for health information exchange would be severely impacted and momentum to complete this project would be lost.

SB 133 ensures that progress toward HIE completion is done on Alaska's terms. It outlines additional privacy standards not currently existing in Federal and State law.

AeHN will continue to look for additional funds from other funders (Denali, Rasmuson and others), and will do this whether there are stimulus funds or not. However, the guarantee for success is much higher with a state match. The \$10 million FCC project which is already approved by the feds would also be placed on hold.

6. What "strings" are attached to the stimulus funding?

There are no strings attached according to the Office of the National Coordinator (ONC) staff and the speakers at a recent HIMSS Conference. All the federal agencies are feeling the push from the Obama administration to get stimulus funds released. In particular, agencies are focusing on the money that will be given directly to states. But all agencies are gearing up for an increased number of competitive grants as well. There are still unanswered questions regarding the release of funds, but each day brings additional clarity as agencies meet with consumers.

The HIMSS Conference in Chicago was attended by over 30,000 people representing most of the states. Almost every state is approaching electronic health network system development similarly as proposed in SB 133—partnership organization with a state designated, shareholder based entity. Speakers from Congress, federal agencies, HIE Directors, providers and consumers all spoke about the need to include private providers, state agencies, federal agencies, consumers and payors.

7. Do we need the state match?

Yes. The language in ARRA is clear, and requires a 90/10 match. The state is a key player in the health information exchange process. Without state commitment, this project will move much slower and cost the state more over time. The non-profit, AeHN, which has already made significant progress, will continue to pursue other revenue sources whether the state money is awarded or not.

There will be stimulus funds available very soon in the form of competitive grants from federal agencies such as HRSA, FCC, and NTIA to anyone. If a non-profit has the \$1.3M, they can use it as match for other funds as well. They can apply for these funds with or without the governor's approval of the stimulus \$\$ for states. State match will be necessary to apply for these funds as well.