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CLICK HERE FOR CEO's REPORT DATED JUNE 29, 2009

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Fifth District

June 29, 2009

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

INITIAL REPORT ON THE COUNTYWIDE HEALTH INFORMATION TECHNOLOGY ASSESSMENT (ITEM NO. 73, AGENDA OF JUNE 30, 2009)

On April 7, 2009, on motion by Supervisor Ridley-Thomas, your Board instructed the Chief Executive Officer (CEO), the Acting Chief Information Officer (CIO), the Interim Director of Health Services (DHS), and other appropriate County departments to conduct a feasibility assessment of creating a Countywide Health Information Technology (HIT) Demonstration Project to enable a cost effective and secure electronic exchange of patient medical records among relevant public and private health providers, with specified capabilities.

The motion also directed the CEO to: a) create a technical advisory group that includes key private and public partners and to report back with a description of the proposed HIT initiative, cost estimate, proposed technical advisory group members, proposed source of public and private funds (including federal economic stimulus funds) and implementation schedule; and b) ensure that individuals appointed to the technical advisory group are informed that County policies and/or procedures may exclude them from bidding on future HIT projects due to potential conflicts.

This memorandum provides the initial report of the strategic feasibility assessment for the countywide health information technology project related to your Board's directive. In conducting the assessment, this Office established a Core Working Group (CWG) consisting of members from this office, DHS, CIO, and the Departments of Mental Health (DMH) and Public Health (DPH). In coming weeks, the CWG will be expanded

to include other County departments that maintain/utilize health information systems, such as the Sheriff, Probation, and the Department of Children and Family Services.

The CWG has met regularly to outline the general components of the project: the vision, goals and objectives for the system; its strategic functions; the working assumptions for the assessment; and the specific tasks to be completed. The CWG discussions recognized the nature of this very ambitious project, given the size of Los Angeles County and the challenges created by its large and diverse populations and the complicated mix of healthcare providers and healthcare financing methodologies.

The initial findings from the discussions are reflected in the attached interim report, with a few referenced below. While some of the assumptions may appear obvious, it is important to identify them in the report to ensure a common understanding within the County family, as well as with other entities involved in these efforts.

The suggested Project name, for ease of reference, is the Los Angeles Network for Enhanced Services (LANES). The vision for LANES is to be an integrated, secure and forward-looking information management system that will facilitate the provision of timely, patient-centered and high quality healthcare across the continuum of services, the management of emergency and other situations important to the public's health, and continuous quality improvement of healthcare and public health processes and outcomes.

FINDINGS

- There are compelling reasons why the County should implement a countywide health information management system (HIMS), including the potential to improve the safety, quality and effectiveness of healthcare; better manage rising healthcare costs; increase the coordination and continuity of service delivery; strengthen the County's ability to control communicable and chronic diseases; and support management of mass casualty and other emergency situations.

- There is a current window of opportunity to gain federal funding to assist in developing a County HIMS from HIT-related funds appropriated in the American Recovery and Reinvestment Act of 2009 (ARRA) and possibly other sources. The requirements of procuring these funds are still being developed, but the turnaround time for funding applications will be short. The CWG is monitoring and assembling information in this regard.

- A countywide HIMS needs to include several components, such as: (a) an electronic health record (EHR) system utilized by County facilities; (b) various disease surveillance and other public health information systems utilized by DPH; (c) a health information exchange (HIE) to support the flow of health and healthcare-related information between various facilities, public and private; and (d) interfaces to facilitate connectivity with State and federal information systems.

- LANES should be designed to support and promote several broad functions by facilitating the timely sharing of health- and healthcare-related information, including:

    - Provision of timely, patient-centered and high-quality healthcare;
    - Management of communicable and chronic diseases;
    - Management of emergency situations of public health significance;
    - Continuous quality improvement of healthcare and public health activities; and
    - Public-private collaboration.

- LANES should be designed to achieve multiple goals, including:

    - Improvement of the public's health and functionality;
    - Improvement of healthcare outcomes and individual well-being;
    - Improvement of the effectiveness, efficiency and timeliness of healthcare;
    - Increased ability to measure and improve performance;
    - Increased ability to manage and utilize population health data;
    - Improvement of disease surveillance and disease management;
    - Response to emergency situations requiring public health or health activity; and
    - Support of academic activities.

TIMELINE

The current projected timeline is to complete the strategic feasibility assessment and begin discussions with your Board and private entities in July 2009. We anticipate providing recommendations to your Board in August 2009. If supported by your Board, the early planning for LANES should be completed by December 2009.

Advanced planning would be completed by June 2010, with the intent to begin executing the plan in July 2010. The goal would be to have the system implemented and operating during 2014. A number of variables outside the County's control could affect this projected timeline.

NEXT STEPS

With concurrence from your Board, it is recommended that the CWG, led by this Office:

- Continue to develop a strategy for LANES. This should be done as quickly as possible to optimize the chances of successfully competing for funds being made available through ARRA and other sources;

- Develop options for the Board's consideration for ensuring the LANES project will be managed and operated in a financially and otherwise prudent manner, including the establishment of a public-private partnership; and

- Initiate efforts to begin a dialogue for aligning LANES with the State Health Information Exchange Initiative and other related efforts currently underway.

If you have any questions, please contact me or your staff may contact Mason Matthews of my staff at (213) 974-2395 or mmatthews@ceo.lacounty.gov.

WTF:SAS:MLM
MM:yb

Attachment

c: Executive Officer, Board of Supervisors
County Counsel
Chief Information Officer
Interim Director, Department of Health Services
Director and Health Officer, Department of Public Health
Director, Department of Mental Health

062909_HMHS_MBS_HIT Status Report

LOS ANGELES NETWORK FOR ENHANCED SERVICES

INITIAL REPORT OF A STRATEGIC FEASIBILITY ASSESSMENT

June 27, 2009

LOS ANGELES NETWORK FOR ENHANCED SERVICES[1]

Initial Report of A Strategic Feasibility Assessment

PURPOSE

In response to the Los Angeles County Board of Supervisors (Board) instruction of April 7, 2009, this report presents the initial findings of a strategic assessment of the feasibility of designing a health information management system for Los Angeles County.

BACKGROUND AND CONTEXT

Modern healthcare is a highly knowledge- and information-intense enterprise, and the use of health information technology (HIT) has been shown to be capable of improving healthcare quality and service, increasing productivity and reducing costs. However, healthcare as an enterprise has been slow to adopt HIT, compared to other industries, for a number of reasons.

Growing concerns about deficiencies in healthcare safety and quality, as well as soaring healthcare costs, and the recent availability of new federal funds for HIT, among other things, have catalyzed increased interest in adopting HIT.

Mindful of these dynamics, and in response to the Board's directive, in May 2009, the Los Angeles County (LAC) Chief Executive Officer (CEO) convened a group of individuals from his office and selected County agencies (hereafter referred to as the Core Working Group (CWG), the membership of which is listed in Appendix A) to conduct a strategic assessment of the County's ability to design, plan and implement a health information management system (HIMS) that would facilitate the delivery of healthcare services; support public health activities aimed at controlling communicable diseases, chronic illnesses and other conditions important to population health; and help manage emergency situations impacting healthcare and the public's health. All three aims are very important, but the latter two are especially pertinent for the Board of Supervisors because of government's inherent responsibilities for these activities and because of Los Angeles County's uniquely high risk for both natural and man-made emergency situations.

METHODS

Since the CWG was convened it has met about weekly, and it has reviewed a wide variety of materials to inform its discussions. An independent consultant having uniquely relevant experience and knowledge was retained by the CEO and has facilitated these discussions, the findings of which are summarized in

[1] Report prepared by Kenneth W. Kizer, MD, MPH, and the CEO's Core Working Group.

this report. Multiple additional matters are currently being investigated and will be discussed in subsequent reports.

FINDINGS

1) There are compelling reasons why the Los Angeles County government (County) should implement a countywide health information management system. These reasons include the potential of such a system to improve the safety, quality and effectiveness of healthcare; better manage rising healthcare costs; increase the coordination and continuity of service delivery; strengthen the County's ability to control communicable and chronic diseases; and support management of mass casualty and other emergency situations.

2) There is a current window of opportunity to gain federal funding to assist in developing a Los Angeles County (LAC) HIMS from HIT-related funds appropriated in the American Recovery and Reinvestment Act of 2009 and possibly other sources (e.g., the California Telemedicine Network).

The conditions of and processes for procuring these funds are still being developed, but the responsible federal officials have indicated that such information will be forthcoming soon and that the turnaround time for funding applications will be short. The CWG is monitoring and assembling information in this regard.

3) A considerable amount of HIT has been adopted by both public and private health-related organizations in LAC during the past decade, although utilization of HIT by individual organizations remains highly variable. Achieving optimal benefit from the adoption of HIT that has been implemented has been confounded by a variety of problems. For example, the growth of HIT utilization within and among County departments has been "organic," resulting in a multiplicity of IT systems being adopted that are not interoperable nor connected in a planned and predictable manner. Likewise, the organizational capacity to use HIT, both within County departments and in the private sector, is heterogeneous; healthcare processes have generally not been redesigned to optimize the use of HIT; and an "HIT-savvy" healthcare culture has not yet evolved.

4) Important work to develop health information exchanges (HIEs) in LAC has occurred in recent years (e.g., Health-e-LA and the Long Beach Health Network). However, these efforts are still nascent, and they have focused primarily on the provision of routine healthcare.

5) Private sector healthcare providers have implemented a variety of proprietary electronic health record (EHR) systems. These have few HIE interconnections except, in selected cases, within the provider's own network.

6) Because of LAC's high risk of natural and man-made emergency situations, more attention needs to be directed to developing enhanced information management capabilities to support the response to mass casualty, public health emergency and domestic security situations.

7) Multiple federal and State confidentiality regulations appear to constrain sharing of patient information across County departments. Issues in this regard are being further evaluated.

8) A countywide HIMS would need to include several components, each of which is itself composed of multiple disparate elements. These components include:

(a) the IT systems utilized by County owned and operated healthcare and mental health facilities;

(b) the various syndromic surveillance and other public health information systems utilized by local departments of public health;

(c) a HIE to support the flow of health and healthcare-related information between and among a multitude of public and private community clinics, acute care hospitals, and other facilities;

(d) interfaces to facilitate connectivity with State and federal information systems; and

(e) other components still being defined.

9) To facilitate communication about the LAC HIMS a name for the project is needed. The CWG proposes that this initiative be called the Los Angeles Network for Enhanced Services (LANES) Project.

10) LANES is envisioned to be an integrated, secure and forward-looking information management system that will facilitate the provision of timely, patient-centered and high quality healthcare across the continuum of services, the management of emergency and other situations important to the public's health, and continuous quality improvement of healthcare and public health processes and outcomes.

11) In conceptualizing the design and operation of the LANES, the CWG made a number of assumptions about the future of healthcare delivery, information technology, healthcare costs, the County's financial situation, and project management, among other things. These assumptions are detailed in Appendix B.

12) LANES should be designed to support and promote several broad functions by facilitating the timely sharing of health- and healthcare-related information, including:

a. Provision of timely, patient-centered and high-quality healthcare, including day-to-day, emergency and mass casualty care;

b. Management of communicable diseases, chronic conditions and other maladies affecting population health;

c. Management of emergency and other exigent situations of public health significance, including natural and technological disasters and matters involving domestic safety and security;

d. Continuous quality improvement of healthcare and public health activities; and

e. Public-private collaboration.

13) LANES should be designed to achieve multiple specific goals, including:

a. Improvement of the public's health and functionality;

b. Improvement of healthcare outcomes and individual well-being;

c. Improvement of the effectiveness, efficiency and timeliness of healthcare processes, including increased safety and better coordination of services across the continuum of care;

d. Increased ability to measure and improve performance, including the development of healthcare best practices;

e. Increased ability to manage and utilize population health data;

f. Improvement of syndromic surveillance and the ability to detect and manage communicable disease and toxic chemical-related incidents of public health significance;

g. Response to mass casualty and other emergent situations requiring public health or healthcare activity; and

h. Support of academic activities.

14) LANES would be a very ambitious project given LAC's geographic size and its large population, diverse culture, and complicated mix of healthcare providers and methods of financing healthcare, which create unprecedented challenges.

Healthcare services for the more than 10 million LAC residents are provided by a complicated mix of public and private facilities that include 107 general acute care hospitals, 73 of which have licensed emergency departments; nearly 400 skilled nursing and long term care facilities; and more than 200 community clinics. The County owns and operates four hospitals, including one of the largest and busiest hospitals in the nation, and operates or contracts with more than 135 community clinics. Other notable healthcare assets in LAC that would need to be considered for inclusion in LANES are a sophisticated pre-hospital emergency medical services system, an organized trauma care system that includes 13 designated trauma centers, several burn centers, and a countywide poison control center. Several internationally renowned academic and health-related research centers are located in LAC, and patients come from all over the world for care at these facilities. The 21 universities and 42 colleges in LAC train a wide array of health professionals.

Financing of healthcare services in LAC is also complicated, including a mix of commercial insurance of various types and multiple public programs (local, state and federal). Approximately 60 percent of LAC residents have commercial insurance, while 10 percent are covered by Medicaid. Some three million persons are uninsured or indigent. About 700,000 persons receive hands-on care at County owned and operated facilities each year.

15) Lessons learned from conceptually similar projects include the following:

a. Achieving the benefits of information technology is more about people and processes than technology. Many healthcare processes currently used in LAC will need to be redesigned. Simply automating existing processes could actually decrease safety, quality and efficiency, and increase costs;

b. Information technology can be an important aid for improving the effectiveness of healthcare delivery, but it is only a tool and must be used properly to be effective;

c. Developing an "HIT-savvy" healthcare culture that can optimize use of HIT will need to be engineered if it is to occur in a timely manner. The needed cultural change will not occur by happenstance;

d. Successful regional health information organizations (RHIOs)/health information exchanges require a high degree of collaboration between the public and private sectors. A mechanism is needed to bring the various public and private organizations together in a way that rewards the collective effort and so that the benefits are shared by all the stakeholders;

e. Government and philanthropic support can be critical for developing and implementing a HIMS, but a sustainable business model is essential for the long-term viability of any such system; and

f. The RHIO must be able to control use of the data.

Additional information is being developed in this regard.

16) LANES will require strong community support and various types of technical assistance. This will likely require the establishment of a number of entities to facilitate communication with stakeholders and to obtain technical subject matter expertise. A proposed advisory committee structure is being developed by the CWG and will be presented in the near future.

17) Considerable work remains to be done to develop a strategic design for LANES, including developing a detailed description of the general characteristics and operating capabilities of the system; further assessment of lessons learned from other conceptually similar projects; designing a project oversight and management mechanism and structure; defining what additional components should be included in the system; and detailing a development roadmap, among other things.

18) The current projected timeline is to complete the strategic feasibility assessment and begin vetting it in July 2009, and if supported by the Board of Supervisors to complete the early planning for LANES by December 2009. Advanced planning would be completed by June 2010, with the intent to begin executing the plan in July 2010. The goal would be to have the system implemented and operating during 2014.

A number of variables outside the County's control could affect this projected timeline.

NEXT STEPS

1. The Board concurs with the efforts currently underway by the CEO to develop a strategy for the Los Angeles Network for Enhanced Services (LANES) Project which reflects the Board's instruction of April 7, 2009. The strategic feasibility assessment and related work should be completed as quickly as possible to optimize the chances of successfully competing for funds provided via the American Recovery and Reinvestment Act of 2009 and other sources.

2. The CEO should develop options for the Board's consideration for ensuring that the LANES Project will be managed and operated in a financially and otherwise prudent manner, including the establishment of a public-private partnership.

3. The CEO should initiate efforts to begin a dialogue for aligning LANES with the State Health Information Exchange Initiative that is being developed and other related efforts currently underway (e.g., the Cal-RHIO and California Telemedicine Network)

APPENDIX A

LOS ANGELES COUNTY HEALTH INFORMATION MANAGEMENT SYSTEM STRATEGIC FEASIBILITY ASSESSMENT CORE WORKING GROUP

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* These individuals have been designated as leads for the respective departments: CEO-Operations; CEO-Health and Mental Health Services; Departments of Health Services, Mental Health and Public Health; and Chief Information Office.

APPENDIX B

Working Assumptions

In conceptualizing the design and operation of the Los Angeles Network for Enhanced Services (LANES) a number of assumptions are made, including the following:

General

a. The Los Angeles County government (County) serves the entire population of Los Angeles County (LAC).

b. Healthcare and public health will continue to be at the nexus of rapid changes in technology, government oversight and regulation, finance and process improvement.

c. The population of LAC will continue to grow and be exceptionally diverse and mobile.

d. LAC will continue to be uniquely important to the nation's economy and domestic security.

e. Healthcare consumerism and interest in public health issues will continue to increase.

f. There are many compelling reasons why LAC should develop a health information management system that will become even more compelling with time.

g. A unique window of opportunity currently exists to garner financial and other support for developing and implementing a health information management system in LAC.

Public Health

a. The County is responsible for ensuring public health services for all LAC residents.

b. LAC is at higher risk of mass casualty, communicable disease and other public health emergencies than any other major metropolitan area in the United States.

c. LAC has unique risks associated with domestic safety and security.

d. The prevalence of chronic diseases will continue to rise and be of increasing public health and healthcare importance.

Healthcare

a. The County has a particularly important role in ensuring access to healthcare services for poor and indigent persons.

b. Healthcare practices will substantially change in coming years, increasingly moving towards the model of care espoused by the Institute of Medicine in 2001,[2] that includes the following characteristics:

    a. Care is based on continuous healing relationships that are less facility-centric and based less on "visits" to the caregiver;

    b. Care is increasingly customized according to patient needs and values;

    c. The patient increasingly controls health care decision making;

    d. Knowledge is shared and information freely flows to those who need it;

    e. Decision making is evidence-based;

    f. Safety is a fundamental system property;

    g. The system of care and decision making are transparent;

    h. Healthcare needs are anticipated and services are more pro-active;

    i. Waste of time and resources are continuously decreased; and

    j. Caregivers closely collaborate and cooperate with each other across the continuum of care and irrespective of payer source.

c. Healthcare payers, both public and private, will increasingly link payment to evidence based care and improved performance, quality and outcomes of care.

[2] Institute of Medicine. Crossing the Quality Chasm: A Health System for the 21st Century. National Academy Press. 2001.

d. The delivery of healthcare services will be increasingly provided by non-physician practitioners and in outpatient settings, including the home.[3]

Technology

a. There will continue to be rapid development of information technology (IT).

b. Healthcare-related technology will continue to rapidly advance, including new developments based on telemedicine, genomics and proteinomics, nanotechnology and robotics.

c. To achieve better functionality and cost-effectiveness, a more integrated approach to IT will be needed in the future, especially with regard to interoperability and standardization of data.

d. Clinician and other end-users have to be involved in IT product specification and selection processes from the beginning.

e. Greater standardization of IT-related processes is necessary to deliver near zero defect systems and services.

Finance

a. The County will continue to operate in a highly cost-constrained environment.

b. Healthcare costs will continue to rise disproportionate to the rise of the consumer price index and employee wages for the foreseeable future.

c. Significant changes in healthcare financing and coverage as a result of national healthcare reform efforts are likely but are currently indeterminate in nature and timing.

d. The cost of establishing a county-wide health information management system will be substantial, possibly in the range of $200-300 million, and will require significant resources from both the public and private sectors.

e. Significant funding is available from a number of sources, including various philanthropies and the American Recovery and Reinvestment Act of 2009, to develop and implement the system, if a strategy and plan can be developed in a timely manner.

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[3] Scott MK. Health Care Without the Doctor: How New Devices and Technologies Aid Clinicians and Consumers. Oakland, CA. California HealthCare Foundation. 2009.

f. There will be ongoing operational costs of the LANES Project that will be a County responsibility.

Project Oversight and Management

a. In view of the nature and scope of the LANES Project and the diversity of stakeholders, significant attention will need to be given to building consensus and trust; this will require a mechanism for providing stakeholders with a regular forum for addressing their concerns and issues.

b. Given the complexity and enormity of the LANES Project there will inevitably be some unplanned occurrences and unintended consequences (both good and untoward), so such occurrences must be anticipated in the system's design and implementation.

LANES DISCUSSION DOC 062509

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April 9, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

REPORT ON THE DEVELOPMENT OF THE LOS ANGELES NETWORK FOR ENHANCED SERVICES (LANES) PROJECT AND THE STATE EFFORTS REGARDING A HEALTH INFORMATION EXCHANGE PLAN

On June 30, 2009, on motion by Supervisor Ridley-Thomas, your Board instructed the Chief Executive Officer (CEO) to develop a strategy for the Los Angeles Network for Enhanced Services (LANES) Project which reflects the April 7, 2009 instruction by your Board; to develop options for the Board's consideration for ensuring that the LANES project will be managed and operated in a financially and otherwise prudent manner, including the establishment of a public-private partnership; to initiate efforts to begin a dialogue for aligning LANES with the State Health Information Exchange Initiative being developed and other related efforts; and to report back on our progress.

This memorandum provides a report on the status of the County's efforts, in partnership with a group of private partners, including the development of a proposed LANES governance structure, and the current efforts by the State of California to develop its operational plan for its allocation of American Recovery and Reinvestment Act of 2009 (ARRA) funds to develop a Health Information Exchange (HIE).

BACKGROUND

On April 7, 2009, on motion by Supervisor Ridley-Thomas, your Board instructed the CEO, Chief Information Officer (CIO), Interim Director of Health Services (DHS), and other appropriate County departments to conduct a feasibility assessment of creating a countywide Health Information Technology (HIT) Demonstration Project to enable a cost-effective and secure electronic exchange of patient medical records among public and private health providers, with specified capabilities. The motion also directed the CEO to: a) create a technical advisory group that includes key private and public partners and to report back with a description of the proposed HIT initiative, cost estimate, proposed technical advisory group members, proposed source of public and private funds (including federal economic stimulus funds) and implementation schedule; and b) ensure that individuals appointed to the technical advisory group are informed that County policies and/or procedures may exclude them from bidding on future HIT projects due to potential conflicts.

Attachment I is a copy of the June 29, 2009 memorandum which provided our initial report in response to that motion. That report summarized the report of the Core Working Group (CWG), consisting of members from this Office, DHS, CIO, and the Departments of Mental Health and Public Health. The CWG identified several potential benefits of implementing a countywide health information management system, such as improving the quality of health care, reducing health care costs, coordinating service delivery, better managing chronic diseases, and supporting emergency management situations.

LANES PUBLIC-PRIVATE WORKING GROUP

In order to further the development of the LANES strategy, and take advantage of potential funding opportunities, this Office established a public-private working group, consisting of public and private partners, to develop an initial LANES project. The LANES Working Group includes representatives from the CEO, DHS, CIO, Community Clinic Association of Los Angeles County, Health-e-LA, L.A. Care, and Long Beach Network for Health (LBNH).

Health Data Highway Project

The LANES Working Group met during September 2009 through December 2009 to identify and develop an initial LANES project that could be submitted if funding opportunities became available.

The LANES Working Group considered the current environment when making the project selection, including the limited availability of funding from the local, State and federal levels; the need to coordinate with State HIE efforts; the short window of opportunity to implement a project to gain ARRA funding; the need to ensure ongoing usefulness of the system; the concerns of providers in meeting patient care needs; and the need to be able to quickly replicate the model in different locations. To that end, the group endeavored to utilize existing systems and relationships, ensure ongoing usefulness, and create a model that is scalable in both size and number of participants.

This approach will help the project move forward quickly, maximize the opportunity to compete for ARRA funds and expend funds timely. For instance, LBNH currently operates a HIE; Health-e-LA is investing in connecting community clinics to County clinics; and DHS has an enterprise data warehouse with data on over two million patients, which spans over a five year period. The idea is to use these existing pieces of infrastructure and data as a starting point, instead of spending limited resources to create new systems and data sources.

The proposed initial project is the Health Data Highway Project (HDHP), which would establish the information technology infrastructure for a HIE in Los Angeles County to facilitate the sharing of health information by health care providers and patients. The HDHP outlines the goals, potential health care applications, target population, and anticipated benefits (Attachment II). Once formalized, the LANES governance structure will consider this proposed initial project and other HIE projects that may be developed.

LANES Governance Structure

The LANES Working Group reviewed various options which could be proposed as the governance structure for LANES, to ensure that it would be managed and operated in a financially and otherwise prudent manner.

The LANES Working Group researched various models from other organizations (Attachment III), such as the Orange County Partnership Regional Health Information Organization (OCPRHIO), which is a community collaboration of health care providers to facilitate HIE in Orange County; and other State level organizations such as Vermont's HIE entity, Vermont Information Technology Leaders, Inc (VITL) and the Indiana HIE. Most started out as loosely formed organizations that became more formal as the effort grew.

In order to establish a governance structure to manage and operate LANES, we recommend a collaborative governance model, as endorsed by the LANES Working Group, which would be formalized by signing a Memorandum of Understanding (MOU). The group considered the following models:

- County-only model – in which your Board would have control over the group and would utilize existing County processes to contract for needed goods and services;
- Private sector model – in which the County would rely upon a private entity to establish and operate LANES, utilizing contracting processes as the means of control;
- Non-profit organization – in which a formal public-private partnership would be established with a defined governance structure and a separate legal entity would be formed, with specified roles and responsibilities for the partners, and where the partnership entity would be the accountable entity for funding and contractual purposes; and
- Collaborative governance – in which a MOU would be used to establish a public-private partnership and to formalize a working relationship (but does not establish a separate legal entity), and which utilizes one or more entities for securing funding, contracting for services and other matters needing a formally defined entity for accountability purposes.

The members of the LANES Working Group believe that entering into a collaborative governance model would be the most efficient way of moving forward as we continue to evaluate and develop the LANES initiatives:

- The MOU does not obligate members to anything more than participation in the working relationship;
- It allows the group maximum flexibility in planning how to move forward;
- It allows the group to continue to work on proposed projects in a quickly changing landscape;
- It helps ensure on-going participation; and
- It establishes the LANES governance body as one that could conduct business, by providing a framework to identify a fiscal intermediary, which could contract with a vendor or obtain services, such as legal counsel.

The name tentatively suggested for the governance entity is the LANES Collaborative. The terms and conditions of the MOU are shown in Attachment IV. Under the MOU, any LANES Collaborative member may terminate its participation with 30 days advanced written notice.

The LANES Working Group recommended the following members be proposed for the governance entity: a hospital group; a physician group; a community clinic group; a local government entity; a public health plan; a commercial health plan; a health information exchange organization; a health advocacy group; and an independent organization. The LANES Working Group determined that the proposed membership should be representative of a cross-section of the types of organizations and stakeholders, which would be actively involved in the LANES initiative. New members may be added to the governing body by a majority vote of the existing members of the governing body.

The MOU only commits members to participation in the governing body. All actions would be referred to each respective member's governing board for a vote prior to taking action in the LANES Collaborative. For instance, all actions that require a vote by the members would be brought to your Board for consideration prior to the County member casting a vote as part of the LANES Collaborative.

County Counsel has reviewed the MOU on behalf of the County and has approved the MOU as to form. Given that the County was the lead agency in forming the LANES Working Group, this Office requested that County Counsel draft the MOU, along with input from the LANES Working Group members. Each of the proposed members of the LANES Collaborative is reviewing the proposed MOU with their respective counsels and will seek approval by their respective governing bodies.

Once the LANES Collaborative is established by execution of the MOU, the LANES Collaborative will begin the work of setting up various committees, primarily the Technical Advisory Committee as requested in your Board's April 7, 2009 motion. A Finance Committee and a Clinical Advisory Committee may also be established by the LANES Collaborative.

Security and privacy are issues that will be addressed by the LANES Collaborative. Existing Health Insurance Portability and Accountability Act (HIPAA) requirements, and expanded requirements under the Health Information Technology for Economic and Clinical Health (HITECH), aim to ensure data security and patient privacy. The health technology industry has been moving toward increased protections for patients as new technology solutions are created. Any LANES projects, including the HDHP, will meet all necessary State and federal guidelines to protect patients and ensure data integrity. No data will be transmitted until the data sharing agreements are developed, vetted, and approved by the LANES stakeholders. Additional discussion will be had with your Board in that regard as the project moves forward.

Federal Stimulus Funding

ARRA includes three potential funding opportunities (Attachment V):

The first funding opportunity is for states or a State Designated Entity (SDE) for HIE. California submitted a proposal for funds, on October 15, 2009, to rapidly accelerate the implementation of HIE in the State and was awarded $38.8 million under a non-competitive grant proposal process. A portion of these funds will be provided to entities throughout California to effect this implementation. The State has completed the work required by the grant to implement the HIE initiative by early 2010. The State convened four committees to complete an operational plan: 1) Technical Advisory Committee; 2) Finance Committee; 3) Technical Working Group; and 4) Public Review Group. The State is planning to submit the operational plan in April 2010. The committees will continue working on next steps that are currently in the planning phase. The State also recently identified Cal eConnect as the SDE. We will include more information about Cal eConnect in our next update, as they are a new organization.

To ensure that LANES aligns with the State's efforts, the County is a member of all four committees, as are other LANES participants. We will also introduce ourselves to Cal eConnect to begin to build a relationship with this new organization. LANES hopes to be in a position to apply for funds which may be available as a result of this grant process. We will continue to work closely with the State and Cal eConnect in this regard.

The second funding opportunity is Medicare and Medicaid incentive payments. These funds are for health care providers to adopt certified Electronic Health Record (EHR) systems. Payments will only be made once a health care provider has installed and demonstrated meaningful use of their EHR. The funding would come in the form of supplemental Medicare and Medicaid payments over a maximum period of four years and is only available to hospitals. DHS will be reporting separately to your Board regarding their EHR implementation efforts.

The third funding opportunity is the Beacon Community Cooperative Agreement Program (Beacon). This program provides funding to communities to build and strengthen their HIT infrastructure and exchange capabilities to demonstrate the vision of the future where: 1) hospitals, clinicians and patients are meaningful users of HIT and, 2) together the community achieves measurable improvements in health care quality, safety, efficiency, and population health. This grant opportunity is primarily geared toward communities that are far along in establishing HIT and HIE and requires applicants to demonstrate high levels of HIT implementation. The Beacon grant applications were due February 1, 2010 and final awards are expected in April 2010.

The County, along with the LANES Working Group, evaluated the Beacon grant and concluded that there was no opportunity to apply directly for funding because the County's geographic region does not meet the high levels of HIT implementation required for this program. It should be noted that the County was contacted by COPE Health Solutions requesting a letter of support for a Beacon application being prepared by the Citrus Valley Health Partners (CVHP). The letter, dated January 29, 2010, was completed and signed by the CEO (Attachment VI). CVHP included $0.5 million of funding for LANES to be an avenue for sharing CVHP's operational model as a best practice with the LANES participants and the community. If CVHP is awarded funding, we will work with CVHP and COPE to develop plans for how the funding could be spent to best support LANES and the grant objectives.

This Office will continue to monitor these and other funding opportunities and develop strategies to optimize the chances of successfully competing for any available funds. It should also be noted that the LANES Collaborative will evaluate options regarding the financial sustainability of LANES, such as whether participants would pay fees, and if so, what those fees would be based on.

TIMELINE

The current projected timeline is to formalize a governance structure for the LANES Collaborative, and continue to develop the implementation plan and early planning for the Health Data Highway Project in May 2010, which should be sufficient time to apply to the State for ARRA funding, if available.

RECOMMENDATIONS

It is recommended that your Board authorize the Chief Executive Officer to:

- Sign the Memorandum of Understanding formalizing the County's participation in the LANES Collaborative;

- Continue to work with the LANES Collaborative to develop the implementation plan for the Health Data Highway Project and other projects which further advance your Board's instructions; and

- As a member of the LANES Collaborative, sign an Agreement with CVHP to receive ARRA funds, if funds are made available to the LANES Collaborative.

If you have any questions or need additional information, please contact me or your staff may contact Sheila Shima, Deputy Chief Executive Officer, at (213) 974-1160.

WTF:SAS
MLM:MRM:gl

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Chief Information Office
Department of Health Services
Department of Mental Health
Department of Public Health

040910_HMHS_MBS_REPORT ON DEVELOPMENT OF LANES PROJECT

ATTACHMENT I

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WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

June 29, 2009

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

INITIAL REPORT ON THE COUNTYWIDE HEALTH INFORMATION TECHNOLOGY ASSESSMENT (ITEM NO. 73, AGENDA OF JUNE 30, 2009)

On April 7, 2009, on motion by Supervisor Ridley-Thomas, your Board instructed the Chief Executive Officer (CEO), the Acting Chief Information Officer (CIO), the Interim Director of Health Services (DHS), and other appropriate County departments to conduct a feasibility assessment of creating a Countywide Health Information Technology (HIT) Demonstration Project to enable a cost effective and secure electronic exchange of patient medical records among relevant public and private health providers, with specified capabilities.

The motion also directed the CEO to: a) create a technical advisory group that includes key private and public partners and to report back with a description of the proposed HIT initiative, cost estimate, proposed technical advisory group members, proposed source of public and private funds (including federal economic stimulus funds) and implementation schedule; and b) ensure that individuals appointed to the technical advisory group are informed that County policies and/or procedures may exclude them from bidding on future HIT projects due to potential conflicts.

This memorandum provides the initial report of the strategic feasibility assessment for the countywide health information technology project related to your Board's directive. In conducting the assessment, this Office established a Core Working Group (CWG) consisting of members from this office, DHS, CIO, and the Departments of Mental Health (DMH) and Public Health (DPH). In coming weeks, the CWG will be expanded

to include other County departments that maintain/utilize health information systems, such as the Sheriff, Probation, and the Department of Children and Family Services.

The CWG has met regularly to outline the general components of the project: the vision, goals and objectives for the system; its strategic functions; the working assumptions for the assessment; and the specific tasks to be completed. The CWG discussions recognized the nature of this very ambitious project, given the size of Los Angeles County and the challenges created by its large and diverse populations and the complicated mix of healthcare providers and healthcare financing methodologies.

The initial findings from the discussions are reflected in the attached interim report, with a few referenced below. While some of the assumptions may appear obvious, it is important to identify them in the report to ensure a common understanding within the County family, as well as with other entities involved in these efforts.

The suggested Project name, for ease of reference, is the Los Angeles Network for Enhanced Services (LANES). The vision for LANES is to be an integrated, secure and forward-looking information management system that will facilitate the provision of timely, patient-centered and high quality healthcare across the continuum of services, the management of emergency and other situations important to the public's health, and continuous quality improvement of healthcare and public health processes and outcomes.

FINDINGS

- There are compelling reasons why the County should implement a countywide health information management system (HIMS), including the potential to improve the safety, quality and effectiveness of healthcare; better manage rising healthcare costs; increase the coordination and continuity of service delivery; strengthen the County's ability to control communicable and chronic diseases; and support management of mass casualty and other emergency situations.

- There is a current window of opportunity to gain federal funding to assist in developing a County HIMS from HIT-related funds appropriated in the American Recovery and Reinvestment Act of 2009 (ARRA) and possibly other sources. The requirements of procuring these funds are still being developed, but the turnaround time for funding applications will be short. The CWG is monitoring and assembling information in this regard.

- A countywide HIMS needs to include several components, such as: (a) an electronic health record (EHR) system utilized by County facilities; (b) various disease surveillance and other public health information systems utilized by DPH; (c) a health information exchange (HIE) to support the flow of health and healthcare-related information between various facilities, public and private; and (d) interfaces to facilitate connectivity with State and federal information systems.

- LANES should be designed to support and promote several broad functions by facilitating the timely sharing of health- and healthcare-related information, including:

  - Provision of timely, patient-centered and high-quality healthcare;
  - Management of communicable and chronic diseases;
  - Management of emergency situations of public health significance;
  - Continuous quality improvement of healthcare and public health activities; and
  - Public-private collaboration.

- LANES should be designed to achieve multiple goals, including:

  - Improvement of the public's health and functionality;
  - Improvement of healthcare outcomes and individual well-being;
  - Improvement of the effectiveness, efficiency and timeliness of healthcare;
  - Increased ability to measure and improve performance;
  - Increased ability to manage and utilize population health data;
  - Improvement of disease surveillance and disease management;
  - Response to emergency situations requiring public health or health activity; and
  - Support of academic activities.

TIMELINE

The current projected timeline is to complete the strategic feasibility assessment and begin discussions with your Board and private entities in July 2009. We anticipate providing recommendations to your Board in August 2009. If supported by your Board, the early planning for LANES should be completed by December 2009.

Advanced planning would be completed by June 2010, with the intent to begin executing the plan in July 2010. The goal would be to have the system implemented and operating during 2014. A number of variables outside the County's control could affect this projected timeline.

NEXT STEPS

With concurrence from your Board, it is recommended that the CWG, led by this Office:

- Continue to develop a strategy for LANES. This should be done as quickly as possible to optimize the chances of successfully competing for funds being made available through ARRA and other sources;

- Develop options for the Board's consideration for ensuring the LANES project will be managed and operated in a financially and otherwise prudent manner, including the establishment of a public-private partnership; and

- Initiate efforts to begin a dialogue for aligning LANES with the State Health Information Exchange Initiative and other related efforts currently underway.

If you have any questions, please contact me or your staff may contact Mason Matthews of my staff at (213) 974-2395 or mmatthews@ceo.lacounty.gov.

WTF:SAS:MLM
MM:yb

Attachment

c: Executive Officer, Board of Supervisors
County Counsel
Chief Information Officer
Interim Director, Department of Health Services
Director and Health Officer, Department of Public Health
Director, Department of Mental Health

062909_HMHS_MBS_HIT Status Report

LOS ANGELES NETWORK FOR ENHANCED SERVICES

INITIAL REPORT OF A STRATEGIC FEASIBILITY ASSESSMENT

June 27, 2009

LOS ANGELES NETWORK FOR ENHANCED SERVICES[1]

Initial Report of A Strategic Feasibility Assessment

PURPOSE

In response to the Los Angeles County Board of Supervisors (Board) instruction of April 7, 2009, this report presents the initial findings of a strategic assessment of the feasibility of designing a health information management system for Los Angeles County.

BACKGROUND AND CONTEXT

Modern healthcare is a highly knowledge- and information-intense enterprise, and the use of health information technology (HIT) has been shown to be capable of improving healthcare quality and service, increasing productivity and reducing costs. However, healthcare as an enterprise has been slow to adopt HIT, compared to other industries, for a number of reasons.

Growing concerns about deficiencies in healthcare safety and quality, as well as soaring healthcare costs, and the recent availability of new federal funds for HIT, among other things, have catalyzed increased interest in adopting HIT.

Mindful of these dynamics, and in response to the Board's directive, in May 2009, the Los Angeles County (LAC) Chief Executive Officer (CEO) convened a group of individuals from his office and selected County agencies (hereafter referred to as the Core Working Group (CWG), the membership of which is listed in Appendix A) to conduct a strategic assessment of the County's ability to design, plan and implement a health information management system (HIMS) that would facilitate the delivery of healthcare services; support public health activities aimed at controlling communicable diseases, chronic illnesses and other conditions important to population health; and help manage emergency situations impacting healthcare and the public's health. All three aims are very important, but the latter two are especially pertinent for the Board of Supervisors because of government's inherent responsibilities for these activities and because of Los Angeles County's uniquely high risk for both natural and man-made emergency situations.

METHODS

Since the CWG was convened it has met about weekly, and it has reviewed a wide variety of materials to inform its discussions. An independent consultant having uniquely relevant experience and knowledge was retained by the CEO and has facilitated these discussions, the findings of which are summarized in

[1] Report prepared by Kenneth W. Kizer, MD, MPH, and the CEO's Core Working Group.

this report. Multiple additional matters are currently being investigated and will be discussed in subsequent reports.

FINDINGS

1) There are compelling reasons why the Los Angeles County government (County) should implement a countywide health information management system. These reasons include the potential of such a system to improve the safety, quality and effectiveness of healthcare; better manage rising healthcare costs; increase the coordination and continuity of service delivery; strengthen the County's ability to control communicable and chronic diseases; and support management of mass casualty and other emergency situations.

2) There is a current window of opportunity to gain federal funding to assist in developing a Los Angeles County (LAC) HIMS from HIT-related funds appropriated in the American Recovery and Reinvestment Act of 2009 and possibly other sources (e.g., the California Telemedicine Network).

The conditions of and processes for procuring these funds are still being developed, but the responsible federal officials have indicated that such information will be forthcoming soon and that the turnaround time for funding applications will be short. The CWG is monitoring and assembling information in this regard.

3) A considerable amount of HIT has been adopted by both public and private health-related organizations in LAC during the past decade, although utilization of HIT by individual organizations remains highly variable. Achieving optimal benefit from the adoption of HIT that has been implemented has been confounded by a variety of problems. For example, the growth of HIT utilization within and among County departments has been "organic," resulting in a multiplicity of IT systems being adopted that are not interoperable nor connected in a planned and predictable manner. Likewise, the organizational capacity to use HIT, both within County departments and in the private sector, is heterogeneous; healthcare processes have generally not been redesigned to optimize the use of HIT; and an "HIT-savvy" healthcare culture has not yet evolved.

4) Important work to develop health information exchanges (HIEs) in LAC has occurred in recent years (e.g., Health-e-LA and the Long Beach Health Network). However, these efforts are still nascent, and they have focused primarily on the provision of routine healthcare.

5) Private sector healthcare providers have implemented a variety of proprietary electronic health record (EHR) systems. These have few HIE interconnections except, in selected cases, within the provider's own network.

6) Because of LAC's high risk of natural and man-made emergency situations, more attention needs to be directed to developing enhanced information management capabilities to support the response to mass casualty, public health emergency and domestic security situations.

7) Multiple federal and State confidentiality regulations appear to constrain sharing of patient information across County departments. Issues in this regard are being further evaluated.

8) A countywide HIMS would need to include several components, each of which is itself composed of multiple disparate elements. These components include:

(a) the IT systems utilized by County owned and operated healthcare and mental health facilities;

(b) the various syndromic surveillance and other public health information systems utilized by local departments of public health;

(c) a HIE to support the flow of health and healthcare-related information between and among a multitude of public and private community clinics, acute care hospitals, and other facilities;

(d) interfaces to facilitate connectivity with State and federal information systems; and

(e) other components still being defined.

9) To facilitate communication about the LAC HIMS a name for the project is needed. The CWG proposes that this initiative be called the Los Angeles Network for Enhanced Services (LANES) Project.

10) LANES is envisioned to be an integrated, secure and forward-looking information management system that will facilitate the provision of timely, patient-centered and high quality healthcare across the continuum of services, the management of emergency and other situations important to the public's health, and continuous quality improvement of healthcare and public health processes and outcomes.

11) In conceptualizing the design and operation of the LANES, the CWG made a number of assumptions about the future of healthcare delivery, information technology, healthcare costs, the County's financial situation, and project management, among other things. These assumptions are detailed in Appendix B.

12) LANES should be designed to support and promote several broad functions by facilitating the timely sharing of health- and healthcare-related information, including:

a. Provision of timely, patient-centered and high-quality healthcare, including day-to-day, emergency and mass casualty care;

b. Management of communicable diseases, chronic conditions and other maladies affecting population health;

c. Management of emergency and other exigent situations of public health significance, including natural and technological disasters and matters involving domestic safety and security;

d. Continuous quality improvement of healthcare and public health activities; and

e. Public-private collaboration.

13) LANES should be designed to achieve multiple specific goals, including:

a. Improvement of the public's health and functionality;

b. Improvement of healthcare outcomes and individual well-being;

c. Improvement of the effectiveness, efficiency and timeliness of healthcare processes, including increased safety and better coordination of services across the continuum of care;

d. Increased ability to measure and improve performance, including the development of healthcare best practices;

e. Increased ability to manage and utilize population health data;

f. Improvement of syndromic surveillance and the ability to detect and manage communicable disease and toxic chemical-related incidents of public health significance;

g. Response to mass casualty and other emergent situations requiring public health or healthcare activity; and

h. Support of academic activities.

14) LANES would be a very ambitious project given LAC's geographic size and its large population, diverse culture, and complicated mix of healthcare providers and methods of financing healthcare, which create unprecedented challenges.

Healthcare services for the more than 10 million LAC residents are provided by a complicated mix of public and private facilities that include 107 general acute care hospitals, 73 of which have licensed emergency departments; nearly 400 skilled nursing and long term care facilities; and more than 200 community clinics. The County owns and operates four hospitals, including one of the largest and busiest hospitals in the nation, and operates or contracts with more than 135 community clinics. Other notable healthcare assets in LAC that would need to be considered for inclusion in LANES are a sophisticated pre-hospital emergency medical services system, an organized trauma care system that includes 13 designated trauma centers, several burn centers, and a countywide poison control center. Several internationally renowned academic and health-related research centers are located in LAC, and patients come from all over the world for care at these facilities. The 21 universities and 42 colleges in LAC train a wide array of health professionals.

Financing of healthcare services in LAC is also complicated, including a mix of commercial insurance of various types and multiple public programs (local, state and federal). Approximately 60 percent of LAC residents have commercial insurance, while 10 percent are covered by Medicaid. Some three million persons are uninsured or indigent. About 700,000 persons receive hands-on care at County owned and operated facilities each year.

15) Lessons learned from conceptually similar projects include the following:

a. Achieving the benefits of information technology is more about people and processes than technology. Many healthcare processes currently used in LAC will need to be redesigned. Simply automating existing processes could actually decrease safety, quality and efficiency, and increase costs;

b. Information technology can be an important aid for improving the effectiveness of healthcare delivery, but it is only a tool and must be used properly to be effective;

c. Developing an "HIT-savvy" healthcare culture that can optimize use of HIT will need to be engineered if it is to occur in a timely manner. The needed cultural change will not occur by happenstance;

d. Successful regional health information organizations (RHIOs)/health information exchanges require a high degree of collaboration between the public and private sectors. A mechanism is needed to bring the various public and private organizations together in a way that rewards the collective effort and so that the benefits are shared by all the stakeholders;

e. Government and philanthropic support can be critical for developing and implementing a HIMS, but a sustainable business model is essential for the long-term viability of any such system; and

f. The RHIO must be able to control use of the data.

Additional information is being developed in this regard.

16) LANES will require strong community support and various types of technical assistance. This will likely require the establishment of a number of entities to facilitate communication with stakeholders and to obtain technical subject matter expertise. A proposed advisory committee structure is being developed by the CWG and will be presented in the near future.

17) Considerable work remains to be done to develop a strategic design for LANES, including developing a detailed description of the general characteristics and operating capabilities of the system; further assessment of lessons learned from other conceptually similar projects; designing a project oversight and management mechanism and structure; defining what additional components should be included in the system; and detailing a development roadmap, among other things.

18) The current projected timeline is to complete the strategic feasibility assessment and begin vetting it in July 2009, and if supported by the Board of Supervisors to complete the early planning for LANES by December 2009. Advanced planning would be completed by June 2010, with the intent to begin executing the plan in July 2010. The goal would be to have the system implemented and operating during 2014.

A number of variables outside the County's control could affect this projected timeline.

NEXT STEPS

1. The Board concurs with the efforts currently underway by the CEO to develop a strategy for the Los Angeles Network for Enhanced Services (LANES) Project which reflects the Board's instruction of April 7, 2009. The strategic feasibility assessment and related work should be completed as quickly as possible to optimize the chances of successfully competing for funds provided via the American Recovery and Reinvestment Act of 2009 and other sources.

2. The CEO should develop options for the Board's consideration for ensuring that the LANES Project will be managed and operated in a financially and otherwise prudent manner, including the establishment of a public-private partnership.

3. The CEO should initiate efforts to begin a dialogue for aligning LANES with the State Health Information Exchange Initiative that is being developed and other related efforts currently underway (e.g., the Cal-RHIO and California Telemedicine Network)

APPENDIX A

LOS ANGELES COUNTY HEALTH INFORMATION MANAGEMENT SYSTEM STRATEGIC FEASIBILITY ASSESSMENT CORE WORKING GROUP

Chief Executive Office
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* These individuals have been designated as leads for the respective departments: CEO-Operations; CEO-Health and Mental Health Services; Departments of Health Services, Mental Health and Public Health; and Chief Information Office.

APPENDIX B

Working Assumptions

In conceptualizing the design and operation of the Los Angeles Network for Enhanced Services (LANES) a number of assumptions are made, including the following:

General

a. The Los Angeles County government (County) serves the entire population of Los Angeles County (LAC).

b. Healthcare and public health will continue to be at the nexus of rapid changes in technology, government oversight and regulation, finance and process improvement.

c. The population of LAC will continue to grow and be exceptionally diverse and mobile.

d. LAC will continue to be uniquely important to the nation's economy and domestic security.

e. Healthcare consumerism and interest in public health issues will continue to increase.

f. There are many compelling reasons why LAC should develop a health information management system that will become even more compelling with time.

g. A unique window of opportunity currently exists to garner financial and other support for developing and implementing a health information management system in LAC.

Public Health

a. The County is responsible for ensuring public health services for all LAC residents.

b. LAC is at higher risk of mass casualty, communicable disease and other public health emergencies than any other major metropolitan area in the United States.

c. LAC has unique risks associated with domestic safety and security.

d. The prevalence of chronic diseases will continue to rise and be of increasing public health and healthcare importance.

Healthcare

a. The County has a particularly important role in ensuring access to healthcare services for poor and indigent persons.

b. Healthcare practices will substantially change in coming years, increasingly moving towards the model of care espoused by the Institute of Medicine in 2001,[2] that includes the following characteristics:

    a. Care is based on continuous healing relationships that are less facility-centric and based less on "visits" to the caregiver;

    b. Care is increasingly customized according to patient needs and values;

    c. The patient increasingly controls health care decision making;

    d. Knowledge is shared and information freely flows to those who need it;

    e. Decision making is evidence-based;

    f. Safety is a fundamental system property;

    g. The system of care and decision making are transparent;

    h. Healthcare needs are anticipated and services are more pro-active;

    i. Waste of time and resources are continuously decreased; and

    j. Caregivers closely collaborate and cooperate with each other across the continuum of care and irrespective of payer source.

c. Healthcare payers, both public and private, will increasingly link payment to evidence based care and improved performance, quality and outcomes of care.

[2] Institute of Medicine. Crossing the Quality Chasm; A Health System for the 21st Century. National Academy Press. 2001.

d. The delivery of healthcare services will be increasingly provided by non-physician practitioners and in outpatient settings, including the home.[3]

Technology

a. There will continue to be rapid development of information technology (IT).

b. Healthcare-related technology will continue to rapidly advance, including new developments based on telemedicine, genomics and proteinomics, nanotechnology and robotics.

c. To achieve better functionality and cost-effectiveness, a more integrated approach to IT will be needed in the future, especially with regard to interoperability and standardization of data.

d. Clinician and other end-users have to be involved in IT product specification and selection processes from the beginning.

e. Greater standardization of IT-related processes is necessary to deliver near zero defect systems and services.

Finance

a. The County will continue to operate in a highly cost-constrained environment.

b. Healthcare costs will continue to rise disproportionate to the rise of the consumer price index and employee wages for the foreseeable future.

c. Significant changes in healthcare financing and coverage as a result of national healthcare reform efforts are likely but are currently indeterminate in nature and timing.

d. The cost of establishing a county-wide health information management system will be substantial, possibly in the range of $200-300 million, and will require significant resources from both the public and private sectors.

e. Significant funding is available from a number of sources, including various philanthropies and the American Recovery and Reinvestment Act of 2009, to develop and implement the system, if a strategy and plan can be developed in a timely manner.

[3] Scott MK. Health Care Without the Doctor: How New Devices and Technologies Aid Clinicians and Consumers. Oakland, CA. California HealthCare Foundation. 2009.

f. There will be ongoing operational costs of the LANES Project that will be a County responsibility.

Project Oversight and Management

a. In view of the nature and scope of the LANES Project and the diversity of stakeholders, significant attention will need to be given to building consensus and trust; this will require a mechanism for providing stakeholders with a regular forum for addressing their concerns and issues.

b. Given the complexity and enormity of the LANES Project there will inevitably be some unplanned occurrences and unintended consequences (both good and untoward), so such occurrences must be anticipated in the system's design and implementation.

HEALTH DATA HIGHWAY PROJECT
Los Angeles Network for Enhanced Services (LANES) Initiative

I. BACKGROUND AND CONTEXT

Healthcare delivery today is very complex, involving many types of caregivers working in multiple care settings that are not connected in a consistent or predictable manner. Too often, this complexity causes care to be fragmented, duplicative and unnecessarily costly. Patients do not receive services they need in a timely manner and the efforts of healthcare providers to provide high quality care are stymied. A robust and coordinated health information management system has the potential to improve healthcare delivery by ensuring that patient care is coordinated, appropriate and preventive.

The Los Angeles Network for Enhanced Services (LANES) is an initiative that seeks to improve healthcare delivery in Los Angeles County and surrounding areas by ensuring that health information important to healthcare delivery is available when and where it is needed in a safe and secure manner. The Health Data Highway Project (HDHP) is an important step toward achieving this goal. Led by a unique partnership of public and private health organizations, the HDHP is Los Angeles County's response to State and federal efforts at improving the sharing of health information.

II. THE LANES HEALTH DATA HIGHWAY PROJECT

A. General Project Description

The HDHP will establish a regional health information exchange (HIE) that includes all healthcare organizations and patients in Los Angeles County and will be interoperable with State and federal systems. It will leverage current community resources to create an electronic "health information highway" that enables physicians and other healthcare providers to share information and thereby reduce duplicative services, preventable morbidity and the overall cost of care. Most importantly, the information highway will improve healthcare outcomes and population wellness.

The HIE will access clinical data currently stored in myriad separate provider and payer systems to create a safe and secure virtual patient record that can be accessed by clinicians authorized by the patient, at the point of care. The HIE will have the ability to: (1) uniquely identify each patient; (2) locate patient-specific information from disparate health information systems; (3) connect health information systems across the region in order to locally access patient-specific data; and (4) ensure security of protected information.

Caregivers authorized by the patient will log into a Web-based portal from any care setting and access critical patient health information for treatment purposes, including diagnoses, current medications, past medical history and diagnostic test results from various providers. Armed with these data sets, caregivers will have the ability to make more informed decisions about the best treatment, as well as avoid duplication of services and potential untoward outcomes due to lack of complete and current information.

B. Application of HIE

The development of the HIE is a key step in the LANES initiative because it establishes an infrastructure for health information sharing. However, the potential benefits of the HIE is more than just the passive sharing of information. The LANES Collaborative envisions that the HIE will become the foundation for patient care tools that have the potential to redefine the healthcare delivery system in the Los Angeles County region.

One of the first applications of the HIE will be to provide patients with tools for enhanced chronic disease management. Disease management tools, such as in-home monitoring, call centers and decision support, will be built into the HIE so patients having, or at risk for having, chronic diseases can proactively monitor their health. The HIE will initially focus on common chronic diseases that account for the preponderance of care provided, such as diabetes, congestive heart failure and asthma, among others. Through better monitoring of chronic care, providers will be able to more aggressively intervene when needed, so patients can avoid costly emergency room visits.

While disease management tools are not a new concept, combining these tools with the HIE will enable safety net clinics and other small providers to access technology that would otherwise be too expensive to implement single-handedly. The intent is to create a proactive virtual integrated delivery network for the region that will optimize resource utilization, patient involvement in their care, clinical outcomes and protection of personal health information.

C. Target Population

The project ultimately seeks to include all patients who access healthcare in Los Angeles County and surrounding areas. Every effort will be made to be as inclusive as possible so a full cross-section of the healthcare industry is involved. Outreach to request participation will be made to all public, private, and non-profit hospitals, community clinics, medical homes, health insurance companies, pharmacies, laboratories and other healthcare organizations in Los Angeles County.

D. Initial Project Phase

It is envisioned that the LANES HDHP will ultimately include all healthcare organizations and providers in Los Angeles County that choose to participate in and contribute to the project. However, the initial phase of the project will build on existing community-based HIE initiatives in order to start off as efficiently and effectively as possible and to gain experience and knowledge that would be important for implementing and operating an HIE in a setting as large and complex as Los Angeles County.

The following organizations will help launch the project: The Los Angeles County Chief Executive Office; The Los Angeles County Department of Health Services; The Community Clinic Association of Los Angeles County; Health-e-LA; and Long Beach Network for Health. Others will be included in future phases. A more detailed description of the initial supporting healthcare organizations is shown in Attachment I.

E. Initial Project Timeline

Since the initial phase of the Health Data Highway Project builds on existing community-based health information exchange efforts, much of the infrastructure for the initial participating facilities has been already established or is in the process of being established. This project seeks to connect the existing HIEs and expand the supporting infrastructure.

2007 Long Beach Network for Health starts to create a health information exchange that connects MemorialCare's Long Beach Memorial Medical Center and Miller Children's Hospital, Memorial HealthCare IPA, Providence Health & Services' Little Company of Mary San Pedro and Torrance campuses, and Talbert Medical Group. The HIE exchanges the following data: demographics, laboratory results, prescriptions, discharge summaries, and other transcribed notes.

2008	Long Beach Network for Health demonstrates the exchange of Continuity of Care Summary records for test patients with 16 organizations across the United States, including federal agencies in September, 2008. Demonstrations of the Quality of Care Use Case occur in December, 2008.
2008	Health-e-LA secures funding for the Safety Net HIE initiative which connects 23 community clinics to the Los Angeles County data warehouse enhancing DHS's capacity to make timely clinical data available in the clinic and county settings.
2008	The Los Angeles County Department of Health Services launches the Encounter Summary Sheet (ESS) Project, which consolidates and shares limited clinical information between DHS and Public Private Partners.
2009	Health-e-LA secures additional funding from Los Angeles County Department of Health Services for the expansion of the Safety Net Initiative to include connectivity for all 34 strategic partner community clinics.

Once funding is approved:

6 months	The Los Angeles County Department of Health Services clinical encounter data is connected to the HIE and available to LANES participants, including medical homes and comprehensive clinic sites.
9 months	Leverage the HIE infrastructure to pilot implementation of in-home monitoring for selected chronic patient conditions that enables patient directed health maintenance and facilitates access to in-home data collection for use by the provider.
12 months	LANES connectivity to Electronic Medical Records (EMRs) in small community and private clinics is offered at minimal cost. (This is a "meaningful use" criteria.)

There will also be an ongoing effort to recruit additional participants and expand the HIE across the region.

F. LANES Collaborative Governance Model

The LANES Collaborative is a public-private partnership of concerned organizations that have come together to help promote the LANES Initiative and improve health care in Los Angeles County and surrounding areas. Initial participating member organizations include the Los Angeles County Chief Executive Office; the Los Angeles County Department of Health Services; the Community Clinic Association of Los Angeles County; Health-e-LA; L.A. Care, and the Long Beach Network for Health. As LANES and the LANES Collaborative mature, they will establish a formal governance structure, the options for which are currently being explored.

G. Funding

The estimated cost for implementing and operating the LANES HDHP is being developed and will depend on a number of factors still under review, including finalizing the scope of work for each phase of the project. One of the reasons for phasing in the HIE is to gain knowledge about both the operational aspects and the cost of the HIE. One of the specific outcomes sought from the initial project will be better information about cost and a sustainable business model for the HDHP.

The initial expense of designing and implementing the HDHP will be borne by the participating organizations through a combination of public and private funds and grants. This project leverages the initial investments of $4.6 million in federal funding, $1.3 million in private funding and $6.5 million in county funding already committed for these purposes.

H. Relationship to State and Federal Health Information Technology Initiatives
The LANES Collaborative is aware of State and federal health information technology initiatives currently underway and has every intention of aligning with these efforts as soon as specific plans are developed. Further, this group has had initial discussions with Cal-RHIO, which has been involved in the State's plans for a health information exchange.

I. Anticipated Benefits of the Project
The HDHP will result in:

a. Increased efficiency of care delivery;
b. More effective use of high-cost medical resources, including emergency services, inpatient beds, and doctors;
c. Reduced costs associated with the handling of patient records, duplicate tests and preventable hospitalizations; and
d. Improved care outcomes through consistent system-wide access to timely and reliable health information, regardless of the point of care.

III. WHAT MAKES THE HEALTH DATA HIGHWAY PROJECT UNIQUE

- Los Angeles County has a large and extremely diverse patient population with over 10 million residents;
- It can leverage a rich array of healthcare resources;
- Some organizations have already begun to implement local health information exchanges, such as the Long Beach Network for Health and Health-e-LA;
- There are functioning data repositories, such as the Los Angeles County Department of Health Services' (DHS) enterprise data repository, which has administrative and limited clinical data on over 2 million patients that spans over 5 years;
- DHS programs that currently serve the "safety net" population and coordinate patient care in medical homes can be expanded and enhanced through the HIE; and
- The HDHP will be able to build on successful public-private partnerships in the Los Angeles County region that have been sustained and expanded over time.

Governance Models of Existing Health Information Exchange Related Organizations

Entity	Legal Formation	Governing Body	Membership	Committees
Vermont HIE [1]	501(c)(3)	Board of Directors	- 9 to 11 members total - 2 to 4 members (health care providers) - 1 to 2 members (health insurers) - 1 member (business sector) - 1 member (appointed by governor) - 1 member (appointed by legislature) - 1 member (consumers) - Non-appointed members elected to two-year terms	- Executive Committee - Finance Committee - Governance and Nomination Committee - Provider Advisory Committee - Consumer Advisory Committee
Indiana HIE	501(c)(3)	Board of Directors	- 15 members	- Executive and Compensation Committee - Finance Committee - Clinical Messaging Steering Committee
Minnesota HIE [1]	Not-For-Profit Limited Liability Corporation	Board of Managers	- 11 members (representing the six organizations that own the LLC)	- Info not available
Orange County Partnership Regional Health Information Organization (OCPHRIO) [1]	Collaborative supported by a fiscal sponsor (Public Health Foundation Enterprises)	Steering Committee	- Organizationally based - One vote per organization	- Finance Committee - Technical Advisory Committee - Clinical Advisory Committee
California Regional Health Information Organization (CalRHIO) [1] [2]	501(c)(3)	Board of Directors	- 13 members currently; some vacancies - Three-year terms	- Executive Committee - Finance Committee - Audit Committee - Clinical Working Group - Technology Working Group

(1) Started as a collaborative
(2) CalRHIO has now closed.

ATTACHMENT III

MEMORANDUM OF UNDERSTANDING

ESTABLISHING

THE LOS ANGELES NETWORK FOR ENHANCED SERVICES ("LANES")

This Memorandum of Understanding is executed in the State of California by and among its signatory organizations for the express purpose of establishing a formal working relationship among the parties and a collaborative governance structure for the formation, operation, and management of the Los Angeles Network for Enhanced Services ("LANES").

WHEREAS, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the California Confidentiality of Medical Information Act ("CMIA") permit health care providers to share pertinent medical information/Protected Health Information ("PHI") for treatment purposes, including to coordinate care; and

WHEREAS, on February 17, 2009, President Obama signed the Health Information Technology for Economic and Clinical Health Act ("HITECH"), as part of the American Recovery and Reinvestment Act, in order to promote health information technology; and

WHEREAS, the HITECH Act provides incentives for the use of health information technology, including state grants to promote health information technology; and

WHEREAS, the HITECH Act strengthens and improves federal privacy and security protections for PHI; and

WHEREAS, the State of California Department of Health and Human Services Agency ("CHHS") will determine the State's Health Information Exchange ("HIE") Governance Entity; and

WHEREAS, in recognition that a robust and coordinated health information management system has the potential to improve healthcare delivery and ensure that care is coordinated, appropriate and preventive, the County of Los Angeles and a number of concerned organizations are collaborating to create the Los Angeles Network for Enhanced Services (LANES); and

WHEREAS, LANES seeks to improve the healthcare delivery in Los Angeles County and surrounding areas by ensuring that health information pertinent to healthcare delivery is available when and where it is needed in a safe and secure manner; and

WHEREAS, the purpose of this Memorandum of Understanding (MOU) is to establish a formal working relationship and collaborative governance structure for the formation of the Los Angeles Network for Enhanced Services (LANES) to work with both the State and federal governments and other interested entities to advance health information technology and exchange in Los Angeles County and surrounding areas.

NOW, THEREFORE, in accordance with that which is stated herein, each of the parties mutually agree to the following:

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TERMS AND CONDITIONS

I. PURPOSE

The purpose of this multi-party Memorandum of Understanding (MOU) is to establish a formal working relationship and collaborative governance structure for the formation of the Los Angeles Network for Enhanced Services (LANES).

LANES will work with the State and federal governments, interested stakeholders, and other key constituents to advance health information technology and exchange in Los Angeles County and surrounding areas.

II. TERM

This MOU shall be effective upon the last date it is signed by a minimum of five Participating Agencies and shall continue for the operation and management of LANES unless terminated as set forth below.

III. PARTICIPATING AGENCIES

A. A Participating Agency shall be any organization which, by signing this MOU, agrees to enter into a formal working relationship and collaborative governance structure for the formation of LANES. The Participating Agencies will represent various stakeholder groups and shall comprise the governing body of LANES. Additional Participating Agencies may be added to the governing body by a concurrence of a majority of the Participating Agencies. Governing Body:

1. A hospital group;
2. A physician group;
3. A community clinic group;
4. A local government entity;
5. A public health plan;
6. A commercial health plan;
7. A Health Information Exchange organization;
8. A health advocacy group;
9. An independent organization.

B. Responsibilities

1. Appoint an Organizational Representative(s) to serve as the Participating Agency's representative who shall:

   (a) Provide input on behalf of the Participating Agency;

   (b) Communicate on behalf of LANES with the Participating Agency;

   (c) Personally attend weekly meetings, unless excused or otherwise modified by the Bylaws.

2. Support Health Information Technology ("HIT") goals, including:

   (a) To advance patients' safe and secure access to their personal health information and their ability to share that information with those involved in their care;

   (b) To engage in an open, inclusive, collaborative process that supports widespread Electronic Health Record ("EHR") adoption and a robust, sustainable countywide/regional health information exchange;

   (c) To improve health care outcomes and reduce the rate of increase in costs or reduce costs;

   (d) To maximize access to critical American Recovery and Reinvestment Act stimulus funds;

   (e) To integrate and synchronize the planning and implementation of Health Information Exchange (HIE), HIT, telehealth and provider incentive components of the American Recovery and Reinvestment Act.

3. Support the coordination of HIE grant and other activities including programmatic, budget, evaluation, and reporting requirements of LANES and/or the Participating Agencies.

IV. BYLAWS

LANES shall establish Bylaws for its internal governance within 60 days of its formation. Said Bylaws shall be and are incorporated herein by reference. The Bylaws shall clearly address the following areas:

A. Mission statement;

B. Governing body, including clearly describing who the Participating Agencies are, how the Participating Agencies are selected, and the responsibilities that Participating Agencies will have;

C. Committees and committee duties;

D. Affiliates and organizations;

E. Stakeholders, including a process for ensuring representation from all interested and pertinent institutions and individuals;

F. Meeting protocols, including a process for open, public, and transparent forums that allow input from all perspectives;

G. Outreach;

H. Code of conduct;

I. Dispute resolution, including establishing procedures that encourage resolution of disputes through informal means;

J. Data security, patient health information privacy and compliance.

V. LEAD AGENCY

LANES is a collaborative of participating health care and other organizations, from both the public and private sector, representing a variety of interests and constituencies, and having varied experience. Accordingly, LANES and its Participating Agencies, recognize that it will be necessary to designate a Participating Agency or other entity to serve as the Lead Agency for a specified time period, a particular purpose, a designated project, or other specified reason. The parties agree that LANES will, as necessary or appropriate, designate a Participating Agency or other agency to serve as Lead Agency Notwithstanding the foregoing, nothing shall be construed as obligating the parties to maintain a designated Participating Agency or other agency to serve as a Lead Agency for all purposes. The parties agree that LANES may also designate alternative or additional Lead Agencies for a particular purpose, a designated project, or other specified reason. Designation of a Lead Agency shall be in writing and shall require the concurrence of a majority of the Participating Agencies.

VI. FISCAL INTERMEDIARY

LANES is a collaborative of participating health care and other organizations. Accordingly, LANES and the parties recognize that it will be necessary to establish a formal relationship with an entity that can provide LANES with management and/or operational and/or administrative support, including receipt of and/or administration of grant funds.

VII. FISCAL PROVISIONS

A. Parties shall not receive compensation for entering into this MOU or for performing responsibilities under this MOU. Unless otherwise agreed to by each of the parties, a Participating Agency shall not be reimbursed for any costs incurred as a consequence of entering into this MOU or for performing responsibilities under this MOU.

B. Unless otherwise agreed to by the parties, a Participating Agency shall not receive compensation or be reimbursed for any costs for serving as a Lead Agency.

VIII. PRIVACY

A. LANES and the Participating Agencies understand that data/information be transferred via an HIE is highly sensitive and is protected from improper disclosure by State and federal law. Accordingly, LANES and the Participating Agencies agree to protect the confidential nature of any data to be maintained or transferred and to ensure that there is no unauthorized access, use or disclosure of such data, except in compliance with all State and federal laws.

B. LANES and the Participating Agencies shall endeavor to coordinate with the California Privacy and Security Advisory Board ("CalPSAB") regarding privacy and security.

C. LANES and the Participating Agencies shall monitor implementation of California's privacy and security policy and guidance and work with State agencies, as appropriate, to ensure such privacy and security protections.

IX. TERMINATION

This MOU may be terminated upon the mutual agreement of all parties. A party may terminate its individual participation in this MOU by providing LANES with 30 days advanced written notice. Termination by one party shall not terminate this MOU.

X. DISPUTE RESOLUTION

LANES and its Participating Agencies are committed to mutually satisfactory methods for problem resolution. The parties agree that when any dispute arises between LANES and a Participating Agency or among the Participating Agencies, it should be resolved amicably, through informal means, through the Participating Agencies' chain of command, as deemed necessary. Accordingly, LANES shall establish a process and procedure for mutually satisfactory methods of problem resolution. Notwithstanding the foregoing, LANES and its Participating Agencies do not intend for the terms and conditions of this MOU to be enforceable by any court, governmental or administrative agency or any other

dispute resolution process. This MOU is not intended to be a legally binding document, but rather an expression of the collaborative intent of all Participating Agencies.

XI. WAIVER

No waiver of any of the provisions of this MOU shall be effective unless made in writing and agreed to by a concurrence of a majority of the Participating Agencies.

XII. NOTICE

Notices required or provided for by this MOU shall be sent to the Lead Agency for LANES.

XIII. LIABILITY

A. All Participating Agencies' Organizational Representatives are to be covered by their respective Participating Agency's insurance policies in accordance with the laws of the State of California and all Participating Agencies, here agree to maintain such insurance.

B. No Participating Agency nor its Organizational Representative shall be responsible for any action taken or omitted by another Participating Agency or by another Participating Agency's Organizational Representative.

XIV. AMENDMENTS

A. The Participating Agencies agree to take such action, as necessary, to amend this MOU from time to time to comply with the requirements of HIPAA, CMIA, HITECH, and/or any other provision of law or regulation.

B. Unless specifically provided for in this MOU, no provision of this MOU shall be altered, varied, modified, revised, or waived, except upon written amendment signed by a majority of the Participating Agencies.

XV. DEFINITIONS

Appendix A – Definitions is incorporated herein by reference.

XVI. COMPLETE AGREEMENT

This MOU, consisting of ten (10) pages, constitutes the full and complete understanding and agreement of the parties.

XVII. NO DISQUALIFICATION

Participating Agencies agree that any procurement by LANES of products and/or services, or receipt of any award pursuant to any such procurement, shall be in compliance with all applicable laws, rules, and regulations and funding requirements. Notwithstanding the foregoing, the parties do not intend that any Participating Agency be disqualified from participating in any such procurement by LANES solely because such agency entered into this MOU or participated in the activities described herein; provided, however, that nothing in this MOU shall be construed as assuring any such agency that it will receive any such award or as contravening any laws pertaining to such an award.

The Participating Agencies further agree that should they have an interest in competing for the delivery of any products and/or services being procured by LANES through an open competitive bid process, they will not participate in any way in the creation or development of the solicitation documents that LANES uses to conduct that competitive procurement process, including but not limited to Requests for Proposals, Statements of Work, Evaluation Instruments, Pricing Schedules, etc., and shall recuse themselves from any scoring or other evaluation of the responses submitted to that solicitation and from the ultimate selection of the vendor who is chosen to provide the needed products and/or services in question.

The Participating Agencies also further agree that, should the County of Los Angeles serve as the Lead Agency for any procurement or solicitation process, all federal, State and local rules, regulations, ordinances, directives, policies and procedures applicable to such a procurement or solicitation will apply, including those rules, regulations, ordinances, directives, policies and procedures concerning conflict of interest and self-dealing.

XVII. CONCLUSION

The signatures of the below parties affixed to this MOU affirm that they are duly authorized to commit and bind their respective organizations to the terms and conditions set forth in this MOU.

[This MOU may be signed in counterparts.]

LIST OF SIGNATORIES

APPENDIX A

DEFINITIONS

Health Insurance Portability and Accountability Act ("HIPAA"): A federal law enacted in 1996 to protect health insurance coverage for individuals who leave or change employers, and to establish national standards for electronic health care transactions and national identifiers for providers, health plans, and employers.

Protected Health Information ("PHI"): Any individually identifiable health information that is protected under the Health Insurance Portability and Accountability Act, which includes any information related to an individual's health condition, the provision of health care, or payments for health care.

Health Information Technology for Economic and Clinical Health Act ("HITECH"): A federal law, enacted as part of the American Recovery and Reinvestment Act, that seeks to encourage the adoption of electronic health records and other health information technology.

California Confidentiality of Medical Information Act ("CMIA"): A State law that protects patient privacy by prohibiting health care providers from disclosing medical information without obtaining appropriate authorization.

FACT SHEET
AMERICAN RECOVERY AND REINVESTMENT ACT – HEALTH INFORMATION TECHNOLOGY FUNDING

BACKGROUND

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (ARRA), allocating over $19 billion to accelerate the adoption of Electronic Health Record (EHR) technologies and to facilitate nationwide health information exchanges (HIE) to improve the quality and coordination of care between health care providers, thereby reducing medical errors and duplicative care. Included in this bill were funding opportunities for healthcare organizations to access various pots of money for Health Information Technology (HIT).

ANALYSIS OF FUNDING SOURCES

- Grants and loans for the use of an HIE - $2.0 billion
  - Potential County impact: Not known. The guidelines for this funding are not yet out. The ARRA provisions indicate applicants must be private, non-profit agencies, so it appears the County cannot apply for funds directly.
  - $2 billion to support the development of health IT standards, to build the infrastructure for health information exchanges, as well as to enhance patient privacy and information security guidelines.
  - Included in this $2 billion are:
    - <u>HIE Grant Program for States</u> – $564 million to be made available in the form of grants to States and qualified State-designated entities (SDE) to develop and implement programs for HIE. To be considered a state-designated entity, an organization must have the blessing of the state in which they reside, be nonprofit, and be devoted to improving health care quality and efficiency through HIE, among other requirements set out in the statute. California was awarded $38.8 million in a non-competitive grant for this and they have chosen Cal eConnect as their SDE;
    - <u>State-based EHR Adoption Loan Program</u> – Competitive grants for States to develop low interest loans to boost EHR adoption across health care providers. Recipients must agree to submit federally-specified quality measurement reports to CMS, use the EHR to exchange health information, and submit plans for maintaining the EHR over time;
    - <u>National Health IT Research Center and Regional Extension Centers</u> – $50 million for a new entity within Health and Human Services (HHS), the Health Information Technology Research Center (HITRC), to be the clearing house for best practices from

other federal programs and health care providers with expertise in successful HIT implementations and effective adoption of HIT. Would also provide $643 million ($598 million in years 1 and 2 of the program and another $45 million in years 3 and 4) to create Regional Expansion Centers (REC) to help struggling health care providers implement and adopt EHR's. Regional Expansion Centers must be affiliated with a US-based nonprofit institution or organization, or entity thereof; and

- Workforce Training Grants – Only for the development of formal training programs for Medical Informatics or Integrations of EHR's in medical school curriculum.
- Beacon Community Cooperative Agreement Program – Establishes $220 million in cooperative agreements with communities to build and strengthen their HIT infrastructure and HIE capabilities to achieve measurable improvements in health care quality, safety, efficiency, and population health. An additional $15 million will provide for technical assistance to the communities and to evaluate the success of the program. Chosen communities will be expected to build upon an existing infrastructure of HIT and HIE to advance health improvement goals declared by each community. Beacon communities will be required to coordinate with the REC and maximize their efforts by leveraging other existing federal programs and resources that are working to promote HIE in the community.

- Medicare and Medicaid Incentive Payments - $17.0 billion

  - Potential County impact: $42.5 million over four years (see attached). Based on an ARRA funding model provided by The Advisory Group, the Department of Health Services (DHS) could be eligible for up to $42.5 million over a four year period, if DHS is able to demonstrate meaningful use of an EHR in years 2011, 2012, or 2013. If meaningful use is achieved in 2014, 2015, or 2016, DHS could get $23.3 million, $7.2 million and zero, respectively. These amounts are only estimates at this time and may change, as the guidelines for these funds are not yet finalized. Only hospitals are eligible for this funding, therefore, DHS is the only County department eligible for this funding.
  - Funding will be made available to health care providers to adopt certified EHR's;
  - Payments will commence in 2011, but a hospital must demonstrate meaningful use of an EHR before payments can begin;
  - A hospital has until 2015 to demonstrate meaningful use of an EHR and trigger the start of payments;
  - Hospitals that demonstrate meaningful use after 2015 will receive no payments and instead, will face penalties in the form of reimbursement rate reductions;

- Expected to flow on the basis of existing Medicare and Medicaid payment mechanics;
- Likely to be made annually and possibly part of data submission process;
- Medicare incentive payments based on total discharges and inpatient days for Medicare patients; no mention of outpatient clinics;
- Funds are not for the purchase of an EHR, but rather the utilization of these systems in the care process; and
- CMS intends to publish a proposed rule in late 2009 with a definition of meaningful use of certified EHR's and establish the criteria for the incentive programs.

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ATTACHMENT VI

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
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January 29, 2010

Robert Curry
President and CEO
Citrus Valley Health Partners
210 West San Bernardino Road
Covina, CA 91723

Dear Mr. Curry:

I am writing this letter to convey my support for Citrus Valley Health Partner's (CVHP) East San Gabriel Valley Proposal to the Office of the National Coordinator for Health Information Technology to become a Beacon Community.

CVHP has long been recognized as a regional innovation leader and early adopter of Health Information Technology (HIT) solutions, as exemplified by the fact that it was one of the first hospitals to complement clinical process redesign with the implementation of an integrated Hospital Information System. Through its engagement in the Camino de Salud Network, a public-private partnership with the Los Angeles County (County) Department of Health Services' (DHS) LAC+USC Medical Center (LAC+USC) and other community health care providers in the East/Central Los Angeles region, CVHP has honed its competencies in community-wide care coordination, consensus-building and practice redesign.

Through the Beacon opportunity, CVHP, DHS, and the other partners will be able to accelerate the work and progress already underway toward building an integrated delivery network. More specifically, with the support of Beacon funds, the partners will be able to build upon existing community HIT infrastructure in a manner that will maximize HIT interoperability and meaningful use factors. In addition to securing COPE Health Solutions as the lead project manager, CVHP has compiled an impressive team of partners that represent leading industry experts on HIT, care coordination, and community outreach, as well as major regional providers and stakeholders. The extensive programmatic and geographic range of the partners engaged will ensure that the project's reach, impact and lessons learned can quickly spread and benefit the rest of the Los Angeles County region.

As an indication of our support for this project, the County will commit to:

- Assign the Chief Information Officer of DHS, or his designee, to join the Beacon Community Information Technology sub-committee.
- Assign a member of the County's Chief Executive Office to join the Beacon Community Communication sub-committee.
- Designate appropriate staff and executive liaisons from LAC+USC to the Beacon Community project to ensure close collaboration and coordination between the East San Gabriel Valley Beacon Community providers and LAC+USC.
- As a member of the Los Angeles Network for Enhanced Services (LANES) Initiative, facilitate ongoing sharing of best practices and lessons learned, as well as discussions regarding replication strategies between the public and private sectors of Los Angeles County around Health Information Technology and Exchange infrastructures and systems with key representatives of the East San Gabriel Valley Beacon.

I enthusiastically support CVHP's application to become a Beacon Community and believe that this project will achieve measurable improvements in health care quality, safety, and efficiency for patients in the East San Gabriel Valley, as well as the Greater Los Angeles County.

Sincerely,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SAS
MM:gl

c: Each Supervisor
Executive Office, Board of Supervisors
Chief Information Office
Department of Health Services

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