

HB 1782

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

April 8, 2009

The Honorable Donna Mercado Kim, Chair
The Honorable Shan S. Tsutsui, Vice Chair

Senate Committee on Ways and Means

Re: HB 1782 HD2 SD1 – Relating to Health Information Exchange

Dear Chair Kim, Vice Chair Tsutsui and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to provide comments on HB 1782 HD2 SD1. HMSA supports the intent of this measure.

A health information exchange (HIE) is defined as the mobilization of health care information electronically across organizations within a region or community. An HIE provides the capability to electronically move clinical information among different health care information systems while maintaining the meaning of the information being exchanged. The goal of an HIE is to provide safer, more timely, efficient, effective, equitable, patient-centered care. This goal is one that works in concert with those which HMSA is currently promoting including e-prescribing and increased use of electronic medical records.

As you are aware, Hawaii is on its way to becoming a national leader in the field of health care technology. Earlier this year, HMSA launched its Online Care program, aimed at improving access to care throughout the Islands. Residents can speak with a local physician from HMSA's network of credentialed participating physicians 24 hours-a-day, 7 days-a-week. In conjunction with this project HMSA is talking with other community entities to examine how an initiative such as an HIE could be developed in Hawaii.

It is also important to note that the American Recovery and Reinvestment Act of 2009 (ARRA) contains language encouraging the increased use of health information technology (HIT) through the awarding of grant monies to states. We appreciate changes made to this measure to mirror the federal legislation. It does seem however that language in the measure is actually more restrictive by requiring that designated entities interested in these projects engage in a procurement process. We believe that this will create additional burdens for organizations wishing to develop HIT and could hinder the entire process. This requirement is not required in the federal law and we are unsure that its inclusion is necessary.

We believe that the best option to obtain funding under the ARRA is through a public-private partnership between all interested health care stakeholders to build a statewide network. This public-private partnership would ideally consist of the Legislature and the appropriate state agency which would be responsible for designating an entity as a "state designated entity" as required under ARRA. This would allow for rapid response and action. It is important to note that stakeholders are already mobilizing in the community so that Hawaii can be one of the first states to qualify to receive funding.

We would also take the opportunity to cite a study performed by the University of Massachusetts Medical School for Health Policy and Research conducted for the State Alliance for e-Health. The State Alliance was created by the National Governors Association Center as an initiative designed to improve the nation's health care system through the formation of a collaborative body that enables states to increase the efficiency and effectiveness of the HIT initiatives they develop. This study examines and reports comments from individuals involved in effective HIEs currently operating across the nation with a focus on governance, funding, and operating systems. The study discusses three models of governance of HIEs:

- Government Led Electronic HIE
- Electronic HIE Public Utility with Strong Government Oversight
- Private-Sector Led Electronic HIE with Government Collaboration

As included in the report, comments from individuals seem to indicate that the private sector led model offers the most flexibility and ability for sustained funding:

This model was seen as the most flexible and easiest to respond to changing technology and other market pressures. It also is less likely to be influenced by political change and public financing challenges. Government still has a role, but on equal footing to other purchasers and stakeholders. It also allows for a balanced approach to financing structures so that benefits and costs can be aligned.

We concur with the report's finding that regardless of the structure chosen to oversee HIE efforts, it must be ensured that any proposed HIE system promotes interstate interoperability and is compatible with national networking efforts. We are excited by the opportunities presented by the ARRA funding for Hawaii and hope that any legislation passed by the state does not hinder the community's process to move forward and receive federal funding.

Thank you for the opportunity to testify today.

Sincerely,



Jennifer Diesman
Assistant Vice President
Government Relations



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Wednesday, April 8, 2009, 10:30 am, Conference Room 211

To: COMMITTEE ON WAYS AND MEANS
Senator Donna Mercado Kim, Chair
Senator Shan S. Tsutsui, Vice Chair

From: Hawaii Medical Association
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Re: HB 1782 RELATING TO HEALTH INFORMATION EXCHANGE.

Chairs & Committee Members:

Hawaii Medical Association supports this measure as a means to help physicians obtain more advanced technology, and address ways in which health IT could improve the delivery of health care.

We appreciate the inclusiveness of the task force membership requirements and look forward to participating.

Thank you for the opportunity to provide this testimony.

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