

IDPH Legislative Update
Iowa Department of Public Health
January 23, 2012

The General Assembly did not convene on Monday, January 16 in observance of Martin Luther King, Jr. Day. Although the week was shorter, it was not slower at the Statehouse! The following are some highlights from the second week.

The Second Week

- **IDPH Presents on e-Health to House Committee.** [Representative Linda Miller](#), chairwoman of the House Human Resources Standing Committee, invited Dr. Miller-Meeks and Kim Norby, executive officer of the Office of Health Information Technology, to present on the topic of e-Health. The presentation included:
 - Background information on the concept of e-Health and specifics regarding the Iowa Health Information Network (IHIN) as a component of e-Health.
 - Benefits of the IHIN for both patients and providers.
 - Expenditure and sustainability projections.
 - Components of the IDPH IHIN legislation.

Members of the committee were very engaged and asked great questions, including those related to privacy and protection of patient information and liability for the providers that are participating in the IHIN. We appreciated these questions because it is important to all stakeholders involved, including IDPH, that providers and patients feel comfortable using electronic health records and the IHIN. The handouts used for this presentation have not been posted to the committee [website](#) as of this writing. I have attached them to this update in the meantime.

- **IHIN Bill Introduced in the Senate!** Our e-Health/IHIN legislation has been introduced in the Senate as [Senate Study Bill 3056](#). It has been assigned to the Senate Human Resources Committee and to a subcommittee of Senators [Hatch](#) (chair), [Ragan](#), and [Seymour](#). To understand how a bill moves through the legislative process, click [here](#).

This bill provides for the creation of a statewide health information network referred to as the IHIN. The bills also provides for components that are critical to its development and operation, including but not limited to:

- Authorization of the collection and retention of participant fees.
 - Establishment of a fund.
 - Provision of the mechanisms to facilitate and support the secure exchange of electronic health information.
 - Clarification that the IHIN will continue to operate under the current governance structure until the end of the initial federally-funded cooperative agreement period in March 2014. Recommendations will be provided to the General Assembly on future governance options in December 2013.
- **Other committee work.**
 - The Senate Human Resources Committee heard a presentation on the interim work relating to mental health redesign. Director of the Department of Human Services (DHS), Chuck Palmer will be a frequent guest in both chambers as work on this issue progresses. This can be considered one of the highest priorities for members of the human resources committees in both the House and Senate. IDPH staff participated in interim work and will continue to monitor discussions.
 - The Joint Health and Human Services (HHS) Appropriations [Subcommittee](#) held its first meeting of the session. Legislative Services Agency's (LSA) Fiscal Division HHS staff, Jess Benson and Aaron Todd, were invited to present and discuss the

governor's recommendations for the departments under the purview of the subcommittee. This includes IDPH, DHS, the Department on Aging, the Department of Veterans Affairs, and the Iowa Veterans' Home. To view LSA's analysis of the governor's recommendations, click [here](#).

To view information on the members and committee information for each of these committees, click [here](#).

[Bill Subcommittee Highlight](#)

- [HSB 511](#). This bill is also referred to as the Iowa Physician Orders for the Scope of Treatment or IPOST. The concept encourages a patient and his or her family members to have conversations about the patient's wishes as they plan for the end of life. It is directed toward those diagnosed with terminal illness and frail and elderly persons. It is meant to cover more details and options than an advanced directive. IDPH facilitated two pilot projects in Linn and Jones counties. To view information about this work, please click [here](#). The subcommittee will recommend passage to the House Human Resources Standing Committee with a few technical amendments. A subcommittee on the companion bill in the Senate, [SSB 3043](#), is scheduled for Monday, January 23.

[IDPH Technical/Omnibus Bill](#)

The final draft of this bill has been approved and should hopefully be introduced in one chamber or both sometime in the next two weeks. More information is to come.

[Highlights for Next Week](#)


- The HHS Appropriations Subcommittee has invited Deputy Director Gerd Clabaugh, on behalf of Dr. Miller-Meeks, and the other directors of the departments under the purview of the subcommittee to present on various aspects of each agency, on Tuesday. Deputy Director Clabaugh will provide an overview of IDPH with an emphasis on e-Health.
- As you all know, I am also the Healthiest State Initiative (HSI) Coordinator for IDPH. The first annual HSI day on the hill is scheduled for Thursday, January 26. If you happen to be at the Capitol from 9:00 a.m. to 12:00 p.m., please stop by to learn about the various programs in the state that support and promote a healthy lifestyle for all Iowans. The governor will kick the day off with remarks scheduled for 9:00 a.m. For more information about HSI, click [here](#).

[Other Information](#)

- The Iowa General Assembly website is a great source of legislative information. The address is www.legis.iowa.gov. It's easy to find your legislator, get information on committee members, view photos of legislators and access bills. Please take some time to check it out.
- Did you know you can listen to the chamber floor debates? Click [here](#) for more information. To view the daily debate calendars for each chamber click on the home page link in the paragraph above and then click on the "Tentative Senate Debate Calendar" or "Tentative House Debate Calendar" above the senate and house floor action windows.

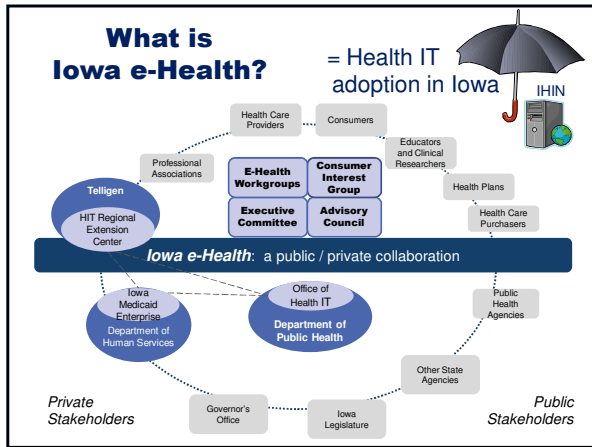
[Information on the Legislative Update](#)

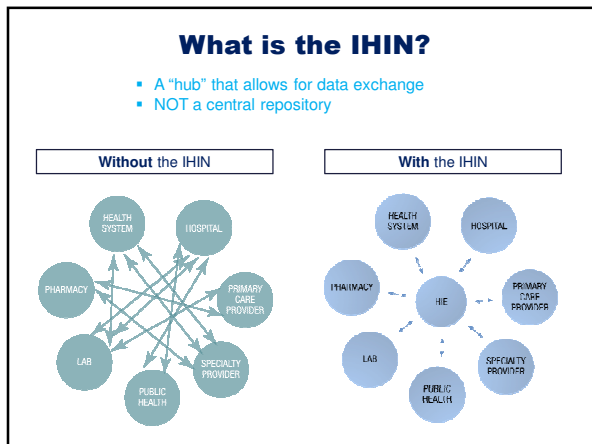
The Legislative Update is also posted on the IDPH website at www.idph.state.ia.us/newsletters.asp. To subscribe to the IDPH Legislative Update, please send a blank email to join-IDPHLEGUPDATE@lists.ia.gov.



IOWA HEALTH INFORMATION NETWORK (IHIN)

IOWA DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH INFORMATION TECHNOLOGY





Benefits for Iowans
Quality, Safety & Efficiency

The IHIN will enable...


- ✓ Enhanced **CARE COORDINATION** across care settings (e.g., primary care to a hospital, specialist to a long-term care facility)
- ✓ Increased avoidance of **ADVERSE DRUG EVENTS** and **MEDICAL ERRORS**
- ✓ Reduced **REDUNDANT TESTING** and **PROCEDURES**
- ✓ **PATIENT EMPOWERMENT** through access to personal health records

Iowa Department of Public Health

Benefits for Providers
Quality, Safety & Efficiency

The IHIN will enable...


- ✓ Increased access to **ELECTRONIC PATIENT INFORMATION** when and where it is needed and in a format that is most usable
- ✓ Expanded **CARE COORDINATION** and **COMMUNICATION** with other providers
- ✓ Improved access to **HEALTH HISTORY DETAILS** prior to patient diagnosis and treatment
- ✓ Increased **STANDARDIZATION** of clinical workflows
- ✓ Greater access to tools for **POPULATION HEALTH MANGEMENT** (e.g., immunizations, reportable disease)
- ✓ **"Meaningful Use"** attestation and incentive receipt



Economic Considerations
Federal (ARRA) Incentive Program
for the Adoption and Meaningful Use of EHRs

- **INCENTIVE PAYMENTS** to Medicare and Medicaid-eligible professionals and hospitals for *meaningful use* of certified EHRs
- **PENALTIES** for not meeting meaningful use (MU) go into effect in 2014

Eligible Hospitals and Professionals	# Paid	EHR Program payments made	Total estimated possible payments
Medicaid incentives	267	\$ 25,320,369	\$ 175,650,000
Medicare incentives	80	\$ 15,463,290	\$ 647,000,000
TOTAL Paid Meaningful Use Incentives for Iowa	347	\$40,783,659	
TOTAL Estimated Meaningful Use Incentives for Iowa			\$ 822,650,000



IHIN BILL SECTIONS

Section 1: Definitions
Section 2&3: Change to IHIN
Section 4: Findings and Intent
Section 5-9: Change to IHIN
Section 10: Financial Sustainability and Participation Fees
Section 11: Department Responsibilities
Section 12: IHIN fund
Section 13: Technical infrastructure
Section 14: Legal and policy
Section 15: Governance review and transition
Section 16: Effective upon enactment

Iowa Department of Public Health

SUSTAINABILITY AND FEES - SECTION 10

Income	SFY 2012	SFY 2013	SFY 2014	SFY 2015	SFY 2016	SFY 2017	Cumulative
ONC	\$ 2,246,148	\$ 2,640,820	\$ 2,931,665				\$7,818,633
State GA	\$ 514,294	\$ 514,294					\$1,028,588
CMS-HITECH	\$ 2,150,000	\$ 1,900,000	\$ 1,700,000	\$ 1,700,000			\$7,450,000
Participant Fees		\$ 709,500	\$ 2,204,750	\$ 2,592,750	\$ 4,056,750	\$ 4,312,000	\$13,875,750
Total Income	\$ 4,910,442	\$ 5,764,614	\$ 6,836,415	\$ 4,292,750	\$ 4,056,750	\$ 4,312,000	\$30,172,971
Total Expenses	\$ 4,910,441	\$ 5,118,574	\$ 4,718,756	\$ 4,722,038	\$ 4,235,157	\$ 4,308,502	\$28,013,468

Fees:

- All who participate should pay a fee
- Set annually during the e-Health Strategic Planning and Budgeting process.
- Recommended by the Iowa e-Health Executive Committee to the State Board of Health

Iowa Department of Public Health

IHIN FUND - SECTION 12

Separate fund within the State Treasury

Fees, donations, gifts, etc. shall be deposited into the fund

Funds used to establish, operate, and sustain the IHIN and services

Any unexpended balance at the end of each fiscal year shall be retained in the fund

Monies in fund shall be subject to financial and compliance audits by the auditor of the state

LEGAL AND POLICY – SECTION 14

Outlines requirements for sharing health information in accordance with other laws, including Health Information Portability and Accountability Act (HIPAA)

Upon approval by the board, provides authority for the department to establish security standards, policies and procedures to protect transmission and receipt of individually identifiable health information

- Authorization/authentication controls
- Role-based access
- Secure and traceable audit system
- Participant and data sharing agreements
- Controls over access and maintenance of health information
- Meets HIPAA and Iowa more restrictive confidentiality laws

Provides for patient's choice to decline exchange of their health information through the IHIN

Iowa Department of Public Health

LEGAL AND POLICY – SECTION 14

If a patient declines participation (Opts Out), their health information shall not be exchanged through the Record Locator Services of the IHIN

A patient who has Opted Out may Opt back in.

Procedures will be established so that a patient can:

- Receive notice of a violation of the confidentiality provisions required under this division
- Upon request to the department, view an audit report created under this division for the purpose of monitoring access to the patient's health care information

Iowa Department of Public Health

LEGAL AND POLICY – SECTION 14

Liability

- 135.156(E 10). Protects a health care professional who relies reasonably and in good faith on information obtained from the IHIN from criminal or civil liability
- 135.156(E 11). Protects a participant that has disclosed health information through the IHIN from criminal or civil liability for the use or disclosure of the health information by another participant.

Iowa Department of Public Health



MORE INFORMATION

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Iowa Department of Public Health





Iowa Health Information Network (IHIN)

Financials Information Sheet

Financial Model Scenario

There are many variables that may impact the budget and fee structure supporting the IHIN. These variables include projected versus actual participation rates, achieving implementation timelines, and projected versus actual expenditures. For this reason, Iowa e-Health examined a variety of potential financial scenarios in order to see how changes in expenses, participation levels, and revenues would impact the fee structure. After vetting numerous scenarios and gathering feedback from stakeholders, the following financial scenario is considered by the Business and Financial Sustainability Plan Workgroup, Executive Committee and Advisory Council, and State Board of Health as the most likely and realistic. This scenario maximizes available federal funding from the Office of the National Coordinator (State HIE Cooperative Agreement Program) and the Centers for Medicare and Medicaid Services (CMS HITECH funding).

Pro Forma Budget

<i>Income</i>	SFY12	SFY13	SFY14	SFY15	SFY16	SFY17
Startup Capital (Build)						
ONC Federal Funds	\$ 2,246,148	\$ 2,640,820	\$ 2,931,665	\$ -	\$ -	\$ -
State General Appropriation	\$ 514,294	\$ 514,294	\$ -	\$ -	\$ -	\$ -
Medicaid CMS HITECH Funds	\$ 2,150,000	\$ 1,900,000	\$ 1,700,000	\$ 1,700,000		
Operational Revenue (Sustainability)						
Direct Connection: Hospitals	\$ -	\$ 396,250	\$ 1,053,750	\$ 1,104,250	\$ 1,389,250	\$ 1,419,250
Direct Connection: Provider Practices	\$ -	\$ 17,750	\$ 126,000	\$ 253,000	\$ 319,000	\$ 420,000
Direct Connection: Other Provider Types	\$ -	\$ 10,500	\$ 65,500	\$ 119,000	\$ 179,500	\$ 251,250
Provider Portal	\$ -	\$ 35,000	\$ 134,500	\$ 191,500	\$ 244,000	\$ 296,500
State Government Agencies	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 525,000	\$ 525,000
Payer IHIN Service	\$ -	\$ 250,000	\$ 800,000	\$ 900,000	\$ 1,400,000	\$ 1,400,000
Income	\$ 4,910,442	\$ 5,764,614	\$ 6,836,415	\$ 4,292,750	\$ 4,056,750	\$ 4,312,000
= Total Income	\$ 4,910,442	\$ 5,764,614	\$ 6,836,415	\$ 4,292,750	\$ 4,056,750	\$ 4,312,000
Expense						
HIE Infrastructure & Services						
Non-Recurring	\$ 3,065,222	\$ -	\$ -	\$ -	\$ -	\$ -
On-Going Operations	\$ 646,357	\$ 2,940,393	\$ 2,647,721	\$ 2,647,721	\$ 2,647,721	\$ 2,647,721
Funded Depreciation Account	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Improvement and Development Account	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 283,973	\$ 301,840
Personnel						
Salaries and Fringe	\$ 560,366	\$ 670,499	\$ 724,138	\$ 782,069	\$ 844,635	\$ 912,206
Indirect Expense	\$ 148,497	\$ 177,682	\$ 191,897	\$ 207,248	\$ 223,828	\$ 241,735
Technical Assistance for Participants	\$ -	\$ 650,000	\$ 600,000	\$ 600,000	\$ -	\$ -
Communication and Outreach	\$ 350,000	\$ 300,000	\$ 200,000	\$ 150,000	\$ 100,000	\$ 70,000
Travel	\$ 25,000	\$ 25,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Legal Services	\$ 80,000	\$ 80,000	\$ 60,000	\$ 40,000	\$ 40,000	\$ 40,000
Other Expenses	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Total Expense	\$4,910,442	\$5,118,574	\$4,718,756	\$4,722,038	\$4,235,157	\$4,308,502
Annual Ending Balance	\$ 0	\$ 646,040	\$ 2,117,659	\$ (429,288)	\$ (178,407)	\$ 3,498
Cumulative Ending Balance	\$ 0	\$ 646,040	\$ 2,763,699	\$ 2,334,411	\$ 2,156,004	\$ 2,159,503

The following assumptions were used in the creation of the financial model:

- Funding from CMS HITECH will be received to support the IHIN build (SFY12 – SFY15)
- State General Fund appropriations specifically for Iowa e-Health will end after SFY13
- State government agencies begin paying participation fees for services beginning in SFY14
- Participation by Iowa hospitals reaches 88% by the end of SFY17
- Participation by Iowa provider practices (primary and specialty care) reaches 50% by SFY17



Income

Build Income (startup capital) will account for the largest share of income during the development of the IHIN (SFY12 through SFY15). During this time period, the sources of this build income are: 1) ONC State HIE Cooperative Agreement Program (\$7,818,633); 2) State General Fund Appropriations (\$1,028,588); and 3) CMS HITECH 90/10 Funding (\$7,450,000). Beginning in SFY16, build income is no longer available and the IHIN will be sustained through revenue generated from IHIN services.

Sustainability Income (operational revenue) will begin in SFY13 as participants connect to the IHIN and use services. The sources of operational revenue include hospitals, provider practices, state government agencies, payers, long-term care centers, home health providers, pharmacies, and labs. Participants will enter into Participation Agreements (i.e., contracts) with Iowa e-Health that will require participation fees be paid in order to use IHIN services. As Iowa e-Health begins collecting fees in SFY13, an estimated \$709,500 will be collected from participants during that fiscal year. This amount increases dramatically as participation steadily grows. For example, in SFY17, Iowa e-Health estimates generating \$4,312,000 in participation fees – an amount that exceeds expenses.

Expense

Expenses will be incurred during the build and on-going operation of the IHIN. The total expense over the 6-year timeframe is an estimated \$28,013,468, averaging \$4,668,911 annually. The expense items will, at a minimum, be reviewed annually by the Executive Committee and Advisory Council and approved by the State Board of Health. Expenses include IHIN infrastructure and services, funded depreciation, system improvement and development, technical assistance, communication and outreach, travel, legal services, indirect (i.e., administrative support, office space, fiscal services), and personnel.

Total Projected Revenue and Expense

Totals	SFY12	SFY13	SFY14	SFY15	SFY16	SFY17	Cumulative
Startup Capital	\$ 4,910,442	\$ 5,055,114	\$ 4,631,665	\$ 1,700,000	\$ -	\$ -	\$ 16,297,221
Operational Revenue	\$ -	\$ 709,500	\$ 2,204,750	\$ 2,592,750	\$ 4,056,750	\$ 4,312,000	\$ 13,875,750
Total Income	\$ 4,910,442	\$ 5,764,614	\$ 6,836,415	\$ 4,292,750	\$ 4,056,750	\$ 4,312,000	\$ 30,172,971
Total Expense	\$ 4,910,442	\$ 5,118,574	\$ 4,718,756	\$ 4,722,038	\$ 4,235,157	\$ 4,308,502	\$ 28,013,468

Budgeting

Budgets for the IHIN will be based on the state fiscal year beginning July 1. September will then begin the next year's strategic planning cycle in which the prior year's performance, actual revenue and expenses and future year forecasts can be combined to develop the next fiscal budget. That projected budget can then be modeled with possible fee adjustments to determine the next fiscal year budget and fees by January 30. This will allow participants time to integrate fee changes into their annual budgeting process.



Iowa Health Information Network (IHIN)

Fund and Participation Fees

Establishment of the Iowa e-Health Fund

It is the recommendation of the Business and Financial Sustainability Plan Workgroup, Executive Committee and Advisory Council, and the State Board of Health that legislation be introduced during the 2012 Iowa legislative session to create a separate fund within the state treasury where all fees collected and revenues arising from the operation of the IHIN will be deposited. Iowa Department of Public Health (IDPH) will expend monies in the fund only on activities and operations of Iowa e-Health. The legislation should also include provisions that monies in the fund will not revert at the end of the state fiscal year, and will be subject to financial and compliance audits by the auditor of state.

- An important benefit that the fund provides to the sustainability of the IHIN is to allow for the collection of working capital necessary for the fluctuating operational business expenses on a daily, weekly and monthly basis.
- HIE participant on-boarding will fluctuate in the startup years causing revenues to be inconsistent with expense requirements related to timing.

IHIN Participation Fees

Participation fees have been extensively discussed with stakeholders and approved by the Business and Financial Sustainability Plan Workgroup, Executive Committee and Advisory Council, and the State Board of Health. It is the recommendation of these bodies that legislation be introduced during the 2012 Iowa legislative session to give the department authority to collect fees from IHIN participants. This authority is critical to the success and sustainability of the IHIN.

Iowa e-Health has established the participation fee structure based on the following guidelines:

- For access and utilization of Iowa IHIN services
- Based on a State Fiscal Year (SFY), which is July 1 – June 30
- Determined during the Iowa e-Health annual budgeting process
- Recommended by the Iowa e-Health Executive Committee and approved by the State Board of Health
- Implemented as part of the Iowa e-Health participation agreement
- Allow for different fee levels for specific provider types such as hospitals, primary care, long term care, etc.

The fund will enable the department to collect revenue from IHIN participants and segregate those monies to ensure that revenues are used solely for the business purpose of operating and maintaining the IHIN. For budgetary predictability for the participants, it will be the goal of the Department to establish the fee structure by January 30 in order for stakeholders to plan their budgets for the ensuing fiscal year during their budgeting process.



Iowa Health Information Network (IHIN)

Participation Fee Schedule

Project Phase	Fee					
	SFY12	SFY13	SFY14	SFY15	SFY16	SFY17
Startup Capital (Build)	Build			Sustain		
Federal Funds (ONC)	Not Applicable - See Projected Total Revenue					
State General Appropriation						
Medicaid						
Operational Revenue (Sustainability)						
Direct Connect: Hospitals	Per Hospital					
Percent of Hospitals (total=118)						
Percent of Beds (total=11,303)						
Over \$750M Annually	\$ -	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
\$500M - \$750M Annually	\$ -	\$ 40,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
\$250M - \$499M Annually	\$ -	\$ 30,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
\$150M - \$249M Annually	\$ -	\$ 22,500	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
\$100M - \$149M Annually	\$ -	\$ 15,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
\$50M - \$99M Annually	\$ -	\$ 10,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
\$25M - \$49M Annually	\$ -	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
\$15M - \$24M Annually	\$ -	\$ 3,750	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Under \$15M Annually	\$ -	\$ 2,500	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Direct Connect: Provider Practices	Per Provider Practice / System					
Percent of Facilities (total=948)						
Percent of Providers (total=6,475)						
Over 90 Providers	\$ -	\$ 2,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
61 - 90 Providers	\$ -	\$ 1,500	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
31 - 60 Providers	\$ -	\$ 1,250	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
21 - 30 Providers	\$ -	\$ 1,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
11 - 20 Providers	\$ -	\$ 750	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
6 - 10 Providers	\$ -	\$ 500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
1 - 5 Providers	\$ -	\$ 250	\$ 500	\$ 500	\$ 500	\$ 500
FQHC/RHC	\$ -	\$ 250	\$ 500	\$ 500	\$ 500	\$ 500
Direct Connect: Pharmacies	Per Pharmacy					
Independent	\$ -	\$ 500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Chain (15 or fewer locations)	\$ -	\$ 2,500	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Chain (16 or more locations)	\$ -	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Direct Connect: Labs	Per Lab					
Independent	\$ -	\$ 500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Affiliated (one fee per group)	\$ -	\$ 2,500	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Direct Connect: LTC, AL, Nursing, and RCF	Per Provider Organization					
Over 400 Beds	\$ -	\$ 1,500	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
301 - 400 Beds	\$ -	\$ 1,375	\$ 2,750	\$ 2,750	\$ 2,750	\$ 2,750
201 - 300 Beds	\$ -	\$ 1,125	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250
151 - 200 Beds	\$ -	\$ 875	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750
101 - 150 Beds	\$ -	\$ 625	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250
51 - 100 Beds	\$ -	\$ 375	\$ 750	\$ 750	\$ 750	\$ 750
1 - 50 Beds	\$ -	\$ 250	\$ 500	\$ 500	\$ 500	\$ 500
Direct Connect: HH, Behavioral Health, Therapies, Other	Per Provider Organization					
Over 90 Providers	\$ -	\$ 1,500	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
61 - 90 Providers	\$ -	\$ 1,375	\$ 2,750	\$ 2,750	\$ 2,750	\$ 2,750
31 - 60 Providers	\$ -	\$ 1,125	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250
21 - 30 Providers	\$ -	\$ 875	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750
11 - 20 Providers	\$ -	\$ 625	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250
6 - 10 Providers	\$ -	\$ 375	\$ 750	\$ 750	\$ 750	\$ 750
1 - 5 Providers	\$ -	\$ 250	\$ 500	\$ 500	\$ 500	\$ 500
Provider Portal (per facility)	Per Facility					
Over 90 Providers	\$ -	\$ 2,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
61 - 90 Providers	\$ -	\$ 1,500	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
31 - 60 Providers	\$ -	\$ 1,250	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
21 - 30 Providers	\$ -	\$ 1,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
11 - 20 Providers	\$ -	\$ 750	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
6 - 10 Providers	\$ -	\$ 500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
1 - 5 Providers	\$ -	\$ 250	\$ 500	\$ 500	\$ 500	\$ 500
State Government Agencies*	Per Agency					
Medicaid	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Public Health	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Payer IHIN Service	Per Payer					
Over 500,000 covered lives	\$ -	\$ 250,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
100,000 - 499,000 covered lives	\$ -	\$ 150,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Under 100,000 covered lives	\$ -	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000



Iowa Health Information Network (IHIN)

Sustainability Information Sheet

Strategies That Avoid General Fund Appropriations for Sustainability

Iowa e-Health recognizes that IHIN sustainability must occur without the ongoing use of dedicated General Fund appropriations. To that end, the financial model scenario included in Section XIII of the Business and Financial Sustainability report shows a clear path of sustaining the IHIN with participation fee revenue, and no dedicated General Funds. In SFY12, the e-Health program received \$514,294 in General Funds to ensure Iowa meets State HIE Cooperative Agreement Program match requirements. The Iowa Department of Public Health (IDPH) anticipates receiving the same e-Health program funding in SFY13, after which time dedicated General Fund appropriations cease.

To further emphasize the importance of IHIN sustainability without General Fund appropriations, Iowa e-Health will implement the following strategies:

1. Annual review of IHIN participation fees, as outlined in Section XIII.
2. Development of monthly, quarterly and annual financial statements that report IHIN participation rates, revenue and expenses, and whether projections are being met.
3. If projections are not on target, Iowa e-Health will develop and submit to the Executive Committee and Advisory Council action steps to implement changes to meet targets and projections (e.g., increase marketing, offer additional services).
4. Iowa e-Health must cultivate business relationships with other potential IHIN participants, and implement new IHIN services to meet future business needs of stakeholders.
5. The department will establish a Funded Depreciation Account for the planned replacement of current equipment assets, and an Improvement and Development Account to dedicate revenue to the future enhancement of the IHIN (e.g., additional functionality and services)

Funded Depreciation and Improvement and Development Accounts

Funded Depreciation Account: A Funded Depreciation Account and an Improvement and Development Account will be established for planned future expenses. The Funded Depreciation Account will be established and used for the planned obsolescence of the technology equipment (e.g., servers) necessary for operation of the IHIN. Estimates have been established for a \$200,000 replacement cost at the end of a five-year useful life.

Improvement and Development Account: The Improvement and Development Account will be funded consistent with technology industry norms at a range of 7% to 10% (current rate used is 7%) of annual operational revenue, with a minimum amount set at \$200,000 annually which starts in SFY 2013. This funding will be used for investment in additional IHIN functionality and services. Examples of potential IHIN services include, but are not limited to: credentialing, enrollment eligibility, vital records (birth and death), newborn metabolic screening, and radiology images.



Iowa Health Information Network (IHIN)

Transitioning of Technical Infrastructure, Business Operations, and Governance

The governance structure of the IHIN is currently state government-led, with a public/private Executive Committee and Advisory Council. IDPH manages all business and technical operations of the IHIN, with recommendations provided by the Executive Committee and Advisory Council, with oversight and authority of the State Board of Health. IDPH, the Business and Financial Sustainability Plan Workgroup, and Executive Committee and Advisory Council have discussed and considered the following alternative forms of future governance structure:

- **Not-for-Profit**
Not-for-profit health information exchanges (HIEs) are driven by their charter to help consumers and the community in which they provide services. Their tax-exempt status helps reduce funding challenges and provide special tax credits/incentives.¹
- **For-Profit**
For-profit HIEs are supported with private funding and have firm return on investment targets. These organizations look to reap financial benefits from supporting transactions and have solid start-up funding.¹
- **Public Utility**
Public utility HIEs are created and maintained with the assistance of federal/state funds and are provided direction by the federal/state government. The organization's funding source is the primary differentiator for this category along with highly regulated fees and strict monitoring.¹
- **Quasi-Governmental or Public-Private Partnership**
The HIE is a private entity started by a public organization. In this model, the board is comprised of both state and private sector representatives. The board is responsible for setting policy and may be also responsible for operation of the HIE.
- **State Led or Public Entity (Current)**
The HIE is solely governed by the state government. While there may be private sector representation on governance committees, the state government is responsible for the work produced, and is the final authority on the policies and operations of the HIE. The public entity may contract with a non-governmental entity to implement components of the HIE.

Transition Plan

During the final year of the term of the State HIE Cooperative Agreement Program (ending March 14, 2014), the Executive Committee, Advisory Council, and State Board of Health will review IHIN governance, business and technical operations to determine a new recommendation regarding the transition in governance, business and technical operations of the IHIN.

The recommendation, which will be submitted to the General Assembly and Governor by December 1, 2013, will take into consideration the following critical elements:

- Recognition that a change in governance, business and technical operations has broad implications and may take significant time to plan and execute.
- Expenses may change if governance, business and technical operations are moved to a non-governmental entity (e.g., liability coverage, staffing, fiscal processes).
- Expectations and requirements for CMS funding.
- New forms of governance may develop as the IHIN matures and the health care landscape evolves over time.

¹ Deloitte Center for Health Solutions. (2006). Health Information Exchange (HIE) Business Models: The Path to Sustainable Financial Success.