



North Carolina Department of Health and Human Services

2001 Mail Service Center • Raleigh, North Carolina 27699-2001

Tel 919-733-4534 • Fax 919-715-4645

Beverly Eaves Perdue, Governor

Lanier M. Cansler, Secretary

October 1, 2009

The Honorable Beverly Earle, Co-Chair
Appropriations Subcommittee on Health
and Human Services
North Carolina General Assembly
Room 634, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Verla Insko, Co-Chair
Appropriations Subcommittee on Health
and Human Services
North Carolina General Assembly
Room 307-B1, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Bob England, Co-Chair
Appropriations Subcommittee on Health
and Human Services
Room 303, Legislative Office Building
Raleigh, NC 27603-5925

Dear Representatives Earle, Insko and England:

Section 10.27.(a) through (c) of SL 2009-451, requires the Department of Health and Human Services to make quarterly reports on the status of Health Information Technology (HIT) activities occurring as a result of the American Recovery & Reinvestment Act (ARRA). It is my pleasure to submit the report at this time.

Please direct all questions concerning this report to Steve Cline, DDS, MPH, Deputy State Health Director, Division of Public Health at (919) 707-5000.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lanier", written over a large, stylized, light-colored flourish or underline.

Lanier M. Cansler

LMC:wl

cc: Allen Faezor
Dan Stewart
Sharnese Ransome
Jennifer Hoffmann
Legislative Library (2)





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October 1, 2009

The Honorable William Purcell, Co-Chair
Appropriations on Health and
Human Services
North Carolina General Assembly
Room 625, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Doug Berger, Co-Chair
Appropriations on Health and
Human Services
North Carolina General Assembly
Room 1026, Legislative Building
Raleigh, NC 27601-2808

Dear Senators Purcell and Berger:

Section 10.27.(a) through (c) of SL 2009-451, requires the Department of Health and Human Services to make quarterly reports on the status of Health Information Technology (HIT) activities occurring as a result of the American Recovery & Reinvestment Act (ARRA). It is my pleasure to submit the report at this time.

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Lanier M. Cansler

LMC:wI

cc: Allen Feezor
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October 1, 2009

Marilyn Chism, Director
Fiscal Research Division
Room 619, Legislative Office Building
300 North Salisbury Street
Raleigh, NC 27601

Dear Ms. Chism:

Section 10.27.(a) through (c) of SL 2009-451, requires the Department of Health and Human Services to make quarterly reports on the status of Health Information Technology (HIT) activities occurring as a result of the American Recovery & Reinvestment Act (ARRA). It is my pleasure to submit the report at this time.

Please direct all questions concerning this report to Steve Cline, DDS, MPH, Deputy State Health Director, Division of Public Health at (919) 707-5000.

Sincerely,

A handwritten signature in black ink, appearing to read "Lanier M. Cansler".

Lanier M. Cansler

LMC:w1

cc: Allen Feezor
Dan Stewart
Sharnese Ransome
Jennifer Hoffmann
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HEALTH INFORMATION TECHNOLOGY

*Quarterly Legislative Report
(Session Law 2009-451, SECTION 10.27. (a-c))*

to

**The Senate Appropriations Committee on Health and Human Services
and
The House of Representatives Appropriations Subcommittee on Health and Human
Services
and
The Fiscal Research Division**

**Prepared by:
North Carolina Department of Health and Human Services
Health Information Technology Workgroup**

October 1, 2009

Legislative Quarterly Report

The purpose of this report is to fulfill the legislative requirement, as set forth in SL 2009-451, Section 10.27.(a) through (c), that DHHS make quarterly reports on the status of Health Information Technology (HIT) activities occurring as a result of the American Recovery & Reinvestment Act (ARRA). In conformance with the statute, this report is being provided to: The Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services and the Fiscal Research Division of the General Assembly.

This report is brief due to the fact that the Office of the National Coordinator for Health Information Technology (ONC) is in the process of completing important guidance regarding the availability of federal funds and the application processes. This report will show the organizational efforts underway in North Carolina to position the state to make best use of the available funds.

(1) CURRENT STATUS OF FEDERAL HIT INITIATIVES

- **Regional Extension Center** – The NC Area Health Education Centers (AHEC), serving as the lead agency for a consortia of agencies and organizations, submitted a preliminary application to be considered for funding under the EP-HIT-09-003 “Health Information Technology Extension Program: Regional Centers Cooperative Agreement Program” on Tuesday, September 8, 2009. The AHEC collaboration is proposing to work with more than 2,400 primary care practices and 9,000 priority providers in the first year. The full application is due to the ONC in November.
- **Health Information Exchange** – The Governor’s Executive Order No. 19 authorized the North Carolina Health and Wellness Trust Fund Commission (HWTF) as the State Designated Entity (SDE) to apply for and receive federal funding under the Health Information Technology for Economic and Clinical Health Act (HITECH) of ARRA. The HWTF established the HIT Collaborative with specific membership to provide a representative body to advise and guide the application for HIT funding under HITECH.

On September 11, 2009, the HWTF submitted a Letter of Intent (LOI) to the ONC expressing the State’s intent to submit a completed application for the North Carolina Health Information Exchange (HIE) Program by October 16, 2009. The application will include an HIE Strategic Plan and will be followed by an HIE Operational Plan which is due in December 2009. Federal funding is expected to be made available in January 2010 for successful applicants.

- **State Medicaid HIT Plan** – A significant portion of the funds available to NC under ARRA will come to targeted Medicaid providers through reimbursement incentive payments for making meaningful use of electronic medical records in their practices. These provider funds are an incentive payment to encourage

Medicaid health care providers to purchase, implement and operate electronic health record (EHR) technology and are paid by the state using 100% federal funds. In addition to the provider incentive funds, NC Medicaid is eligible to receive planning and implementation funds to establish a system to: encourage and support provider adoption of EMRs, monitor meaningful use, and make appropriate incentive payments. These federal funds require a 90/10% match federal dollar to state dollar.

- **Broadband Access** – The Microelectronic Center of North Carolina (MCNC) is the lead agency for planning and applying for ARRA funding to support expanded broadband internet connectivity in NC. The NC application will focus on building “middle mile” capacity which will also enhance last mile connectivity. Matching funds have been identified to support the \$28 million request for federal funding for a total project cost of \$40 million. Guidance for this funding process has not yet been released.
- **Comparative Effectiveness Research** – The University of North Carolina is leading an effort to apply for National Institute of Health (NIH) funding under ARRA for the purpose of evaluating best practices. A consortium of researchers is planning to apply.

(2) CURRENT STATUS OF STATE HIT EFFORTS, PUBLIC AND PRIVATE

The HIT Task Force report, “Improving Health and Healthcare in North Carolina by Leveraging Federal HIT Stimulus Funds,” released June 24, 2009, identified a number of healthcare providers and health agencies, both public and private, with existing HIT programs and capacities that represent promising practices.

The Governor’s Executive Order #19 established the HWTF as the SDE under ARRA for coordinating the preparation of the HIT application(s), receiving federal funds, and coordinating implementation of the HIT Strategic and Operations Plans. The Executive Order also created the HIT Collaborative as the representative expert advisory board to guide the development of the plans. The HIT Collaborative plans to leverage existing investments and capabilities to build HIT capacity in NC. Members of the HWTF HIT Collaborative include:

Stuart James, University Health Systems of Eastern Carolina, Chair
Dr. Hadley Callaway, NC Medical Society
Sam Cykert, NC Area Health Education Centers
Lanier Cansler, Secretary, NC Department of Health and Human Services
Dr. Allen Dobson, NC Health Quality Alliance
Dr. Laura Gerald, Community Care of NC
Arlo Jennings, NC Hospital Association
Rebecca Kitzmiller, NC Nurses Association
Garland Scott, NC Association of Health Plans
Dr. Sam Spicer, NC Health Information and Communications Alliance

Ex-Officio:

Holt Anderson, NC Health Information and Communications Alliance
Dan Gitterman, Office of the Governor
Vandana Shah, NC Health & Wellness Trust Fund
Dr. Charles Willson, NC Health & Wellness Trust Fund

The HWTF HIT Collaborative established four workgroups with additional members to assist in the preparation of the NC HIT Strategic and Operations Plans. These workgroups are described below.

Governance

Purpose: Convening health care stakeholders to create trust and consensus on an approach for statewide HIT and to provide oversight and accountability of HIT to protect the public interest. One of the primary purposes of a governance entity is to develop and maintain a multi-stakeholder process to ensure HIT among providers is in compliance with applicable policies and laws.

Members:

Holt Anderson (facilitator) – NCHICA
Melanie Allison (facilitator) – HWTF
Steve Cline – NC DPH
Hadley Callaway – NC Medical Society
Sam Cykert, MD – NC AHEC
Gail Hinte – HIMFormatics/NCHICA
Avery Cloud – New Hanover Regional Medical Center

Deliverable: Provide support in development of a multi-stakeholder process to ensure HIE among providers is in compliance with applicable policies and laws.

Technical Infrastructure

Purpose: This workgroup includes the architecture, hardware, software, applications, network configurations and other technological aspects that physically enable the technical services for HIT in a secure and appropriate manner.

Members:

Melanie Allison (facilitator) – HWTF
Arlo Jennings (facilitator) – WNCHN
Ron Mitchell – Wake Radiology
JP Kichak – UNC Healthcare
Janis Curtis – Duke Health Systems
Jim Hazelrigs – NC DHHS Division of Medical Assistance

Deliverable: Support development of statewide technical infrastructure that supports statewide HIE.

Legal Agreements & Policy

Purpose: The mechanisms and structures that address legal and policy barriers and enablers related to HIE which include: policy frameworks, privacy and security requirements and use, data sharing agreements, laws, regulations, and multi-state policy harmonization activities.

Members:

Linda Attarian (facilitator) – HWTF
Jill Moore (facilitator) – UNC
Don Horton – LabCorp
Garland Scott – United Healthcare Group
Dan Gitterman – NC Office of the Governor
Melanie Phelps – NC Medical Society

Deliverable: Support development of a common set of rules to enable inter-organizational and eventually interstate health information exchange while protecting consumer interests.

Community HIE Development

Purpose: A model for organizing and convening a domain specific or geography-based community for the purpose of health information exchange which includes building stakeholder collaboration, creating governance structures and a policy framework.

Members:

Andrew Weniger (facilitator) – NCHICA
Laura Gerald, MD (facilitator) – CCNC
Sam Spicer, MD – New Hanover Regional Medical Center
Allen Dobson, MD – CCNC
Rebecca Kitzmiller – Duke University
Ben Alexander – WakeMed
David Stratton – Capital Care Collaborative

Deliverable: Support development of a community-based model for health information exchange initiatives.

(3) CURRENT PUBLIC AND PRIVATE FUNDING SOURCES

NC is applying for funding under ARRA in all eligible categories. Approximately \$19 billion is authorized under ARRA for HIT, but it is not yet available.

(4) STATUS OF DHHS HIT COORDINATION

Secretary Cansler formed the DHHS HIT Workgroup to coordinate the Department's work around HIT and to collaborate with the HWTF HIT Collaborative. Members of the DHHS HIT Workgroup include:

Dr. Steve Cline, Division of Public Health (DPH), Chair
Sandra Trivett, Office of the Secretary (OOS)
Jim Hazelrigs, Division of Medical Assistance (DMA)
Michael Bacon, Division of Medical Assistance (DMA)
Dr. Annette DuBard, Community Care of North Carolina (CCNC)
Angie Sligh, Office of Medicaid Management Information System (OMMIS)
Gary Imes, Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS)
Matt Womble, Office of Rural Health and Community Care (ORHCC)

Ex-Officio:

Allen Feezor, Deputy Secretary DHHS
Dr. Craigan Gray, Director, DHHS Division of Medical Assistance

(5) STATUS OF CURRENT HIT RESEARCH

There are a number of North Carolina researchers, academic and agency based, pursuing funding, but the Department is not aware of any efforts to coordinate efforts. An informal survey of known research contacts will be conducted for subsequent reporting.

(6) STAKEHOLDER INVOLVEMENT

All meetings of the HIT Collaborative are open meetings and stakeholder participation is encouraged. In addition, the HWTF plans to establish a website to inform the public and invite input.

(7) IMPLEMENTATION

The HIT Collaborative is planning to submit the NC HIE Strategic Plan with the application for funding on October 16, 2009 and the NC HIE Operations Plan in December 2009. ARRA funding for implementation is expected to begin in January 2010.

The Strategic Plan must address each of five domains:

1. Governance
2. Finance
3. Technical infrastructure
4. Business and technical operations
5. Legal and policy issues

Priorities outlined in the ONC guidance for implementation in the first two years of operation include:

1. Clinical exchange of health information for the purpose of care coordination
2. Electronic prescribing and refill requests
3. Electronic laboratory ordering and results
4. Public health reporting
5. Quality reporting
6. Prescription filling and refilling status

