

## **Arizona Health-e Connection Executive Summary**

To combat rising health care costs, preventable and sometimes fatal medical errors, and redundant care, Governor Napolitano issued Executive Order 2005-25 in August 2005. This order directed State CIO Chris Cummiskey to chair the Arizona Health-e Connection Steering Committee to oversee the development of a Statewide Roadmap for e-health information infrastructure.

The Health-e Connection Steering Committee was comprised of forty-three diverse members representing state agencies, private employers, not-for-profit foundations, higher education institutions, health care associations, health insurance companies, hospital systems, federal agencies, and a county health district.

Though staffing for the Health-e Connection was provided primarily by the Office of the State CIO, significant resources were provided by public and private partners. Within 180 days of the Call to Action Summit, task teams in the areas of Clinical, Technical, Financial, Legal and Governance met with over 300 stakeholders and submitted their recommendations to the State CIO for inclusion in the Roadmap. In addition, two local foundations provided significant financial resources by funding an e-health consulting firm (e-Health Initiative) to assist the State in the development process.

According to e-Health Initiative, the statewide implementation activities resulting from the Arizona Health-e Connection Steering Committee and Roadmap have placed Arizona in the top six percentile of states in the area of e-health achievement. A not-for-profit organization, with a board comprised of a broad base of private and public stakeholders, has now been established to move the implementation activities forward.

The Arizona Health-e Connection accomplished a lot in a very short amount of time. In just six months, Arizona planned and hosted a call to action summit and developed an actionable Roadmap with support from 300 stakeholders participating in five task groups. Within one year of issuing the roadmap, the governance of the Arizona Health-e Connection transitioned from State to nonprofit control with the State as a key leading stakeholder on the Board of Directors.

The momentum generated by the Arizona Health-e Connection collaboration has already produced several exciting results for the State. In FY 2007, the State funded \$1.5 million in health information technology adoption grants to jumpstart e-health efforts in rural areas of the State. Arizona was also chosen to receive \$350,000 in funding from the Federal government for further collaboration and research on e-health privacy and security issues. In addition, Arizona was awarded the largest Centers for Medicare and Medicaid Service (CMS) Medicaid Transformation Grant of any state – nearly \$12 million – for establishing a statewide health information exchange (HIE).

## **Arizona Health-e Connection**

### **Business Problem—Medical Errors, Redundant Care, Rising Health Care Costs**

Health care costs are skyrocketing in the United States. Preventable medical errors, redundant testing, and inefficient office procedures are three key factors in the increase in health care costs.

According to the Institute of Medicine, between 44,000 and 98,000 Americans die annually as a result of preventable medical errors<sup>i</sup>. Another study estimated that the number of preventable deaths each year could actually be closer to 200,000<sup>ii</sup>. In many cases, these errors are caused because paper-based documentation either cannot be transmitted electronically and/or is misread when transmitted in paper form<sup>iii</sup>.

In addition, more patients are being subjected to redundant medical tests because the records of prior testing are unavailable to the ordering physician. With the rising number of providers serving any given patient, it has become increasingly difficult for doctors to keep track of the medical history of their patients. A recent survey reported that 84% of patients keep their history as an assortment of papers contained in file or drawer<sup>iv</sup>. In most cases, the best source of a patient's medical history is the written information the patient fills out upon arrival – relying solely on the patient's memory. This process is personnel intensive and often unreliable because of data entry errors. Approximately 31 cents of every health care dollar are spent on administrative costs and expenses<sup>v</sup>.

Health care costs are increasing at three times the rate of inflation. At \$1.9 trillion dollars<sup>vi</sup> per year, the United States already spends far more on health care than any other country – 50% more than number two Germany – and yet investments in technology to date have largely been on diagnostic equipment and systems. Very little investment is made to develop information technology infrastructure to improve administrative procedures at the point of care<sup>vii</sup>.

### **Business Solution Identified—Utilize Information Technology Tools**

It is estimated by the federal Department of Health and Human Services that savings of \$140 billion per year, or close to 10% of total health spending in the United States, could be achieved through health information technology (HIT) by avoiding errors in care, reducing duplicative care, and lowering health care administrative costs. Based on this estimate, Arizona could realize approximately \$2.6 billion in annual savings by better utilizing information technology in the provision of health care.

Governor Napolitano recognized that adoption of a statewide e-health infrastructure would improve the quality and reduce the cost of health care in Arizona. In 2005, she charted a new and innovative course for health care in the State by creating the Arizona Health-e Connection Steering committee to develop an actionable Statewide roadmap for e-health.

## **Arizona Health-e Connection—Exemplary Public/Private Partnership**

In August 2005, Governor Napolitano released Executive Order 2005-25, directing State CIO Cummiskey to convene a Call to Action Summit for e-health. The order also appointed Cummiskey chair of the Arizona Health-e Connection Steering Committee. The committee was charged with overseeing the development of an actionable Statewide Roadmap for e-health information infrastructure. Governor Napolitano's executive order made Arizona the first State to address e-health at a comprehensive, statewide level.

This statewide initiative is consistent with federal policy directives for e-health. In his executive order of April 12, 2004, President Bush called for widespread adoption of interoperable electronic health records within ten years. He also established the Office of the National Coordinator for Health Information Technology (ONC) in the Department of Health and Human Services.

The Arizona Health-e Connection Steering Committee was comprised of forty-three members representing a diverse range of stakeholders including: state agencies, private employers, not-for-profit foundations, higher education institutions, health care associations, health insurance companies, hospital systems, multiple federal agencies, a county health district, and several subject-matter experts.

Within 180 days of the Call to Action Summit, Clinical, Technical, Financial, Legal and Governance task teams held 17 meetings and submitted input to the Office of the State CIO for compilation into the Statewide Roadmap for E-Health. In all, over 300 stakeholders contributed to the development of the Roadmap.

Financial support for the Roadmap development process was provided by two local foundations, St. Luke's Health Initiatives and BHHS Legacy Foundation. With their support, the State retained eHealth Initiative (eHI) as primary consultants to aid in the development of the Roadmap. In addition, the State recruited several subject matter experts to lead task team discussions.

According to the annual eHI survey, the statewide implementation activities resulting from the Arizona Health-e Connection Steering Committee and Roadmap have placed Arizona in the top six percentile of states participating in e-health initiatives. eHI outlines the progression of Health Information Exchange (HIE) efforts throughout the world as follows:

- Stage 1 – Awareness
- Stage 2 – Regional Activity
- Stage 3 – State Leadership
- Stage 4 – Statewide Planning
- Stage 5 – Statewide Plan
- Stage 6 – Statewide Implementation

Through the leadership of Governor Napolitano and State CIO Cummiskey, and the support of over 300 stakeholder/volunteers, Arizona started at Stage 3 and within six months progressed through Stage 4 and Stage 5. Arizona then began the transition to implementation (Stage 6).

Specific characteristics of the Arizona program that set it apart from other states include the following:

- Funding of statewide planning and roadmap development by independent, non-profit foundations
- Large, comprehensive steering committee – 43 representatives including:
  - Health Care Providers and Associations
  - Health Care Plans (payers)
  - Higher Education
  - Consumer Representatives
  - Federal Government
  - Foundations focused on health care
  - Major Arizona employers
  - Governor’s Office, Cabinet and other state officials
- Broad public/stakeholder participation in Roadmap development process (approximately 300 participants)
- Roadmap recommendations were immediately actionable and did not require legislative or other official action to commence

### **Nonprofit Governance—The Next Phase of the Arizona Health-e Connection**

After developing the Roadmap, the Steering Committee began to transition from government administration to a nonprofit governance structure. In January 2007, the not-for-profit Health-e Connection Board of Directors met for the first time. Like the Steering Committee that was created by Governor Napolitano, the Board of Directors includes broad representation from health care, community, government, and consumer groups.

### **Adding Public Value—Following the Roadmap to Enhance E-Health**

Arizona undertook the Health-e Connection project to improve health care efficiency and patient care by:

1. Ensuring health information is available at the point of care for all patients.
2. Reducing medical errors and avoiding duplicative medical procedures
3. Improving coordination of care between hospitals, physicians, etc.
4. Furthering health care research
5. Providing consumers with their own health information to encourage greater participation in their own health care decisions

So far, the Arizona Health-e Connection has begun several discreet projects to meet the goals outlined above including:

**Rural Health Information Technology Adoption Grants—**The momentum generated by the Roadmap led to an agreement between the Governor and legislature to fund \$1.5 million in health IT grants to rural communities. This money subsidized the implementation of electronic health record systems in five communities, one home health care program enhancement, and one replacement of a hospital’s core IT system –

ultimately impacting over 178,000 patients and 325 health care providers (primarily doctors) in over 30 communities throughout rural Arizona.

**The Health Privacy Project**—Arizona received \$350,000 in funding from the Federal government to further collaboration and research on the subject of e-health privacy and security issues. Through this program, Arizona has identified authentication, audit and access issues that need to be addressed in order to have secure exchange of electronic health records. The Health Privacy Project has applied for continuing federal funding to implement plans to solve these issues.

**Medicaid Transformation Grant**—Arizona was awarded the largest grant of any state – nearly \$12 million – from the Centers for Medicare and Medicaid Service (CMS) Medicaid Transformation Grant. This will allow for the establishment of a statewide health information exchange (HIE) serving the needs of the 1.1 million Medicaid patients in Arizona.

**Master Provider Index**—The Arizona Health-e Connection has developed an implementation plan for a Master Provider Index. This will create a central location for all types of medical providers in Arizona to obtain authorization for exchange of health information. This project will also to initiate a secure clinical messaging program.

**Regional Health Information Organizations**—Based on the model of developed in the Roadmap, community and government partners are creating regional health information organizations built around Medical Trading Areas throughout Arizona. This is leading to shared infrastructure projects, and reduced duplication of resources. A federated approach to electronic health records is also expected, allowing current owners of data to remain the sole owners of that data, but to securely exchange data locally, regionally, then statewide and, ultimately nationally, through future interfaces with the National Health Information Network (NHIN).

The implementation teams for the Arizona Health-e Connection continue work on important issues for e-health. For example, the technical implementation team is developing plans to create a web-based electronic medical record system for the State. The legal task force continues to address privacy issues as they relate to current Arizona and federal law. The clinical implementation team is surveying current installations of electronic health records, and identifying additional methods to increase the rate of health information technology adoption.

## **Conclusion**

The Arizona Health-e Connection accomplished a lot in a very short amount of time. In just six months, Arizona planned and hosted a call to action summit and developed an actionable Roadmap with support from 300 stakeholders participating in five task groups. Within one year of issuing the roadmap, the governance of the Arizona Health-e Connection transitioned from State to nonprofit control with the State as a key leading stakeholder on the Board of Directors.

## Timeline for the milestones of the Arizona Health-e Connection:

<b>August 2005</b>	Governor Napolitano's Executive Order
<b>October 2005</b>	Call to Action Summit
<b>October 2005 – April 2006</b>	Roadmap Development
<b>April 2006</b>	Health-e Connection Roadmap published with the input of the Clinical, Technical, Financial, Legal and Governance task groups
<b>April 2006</b>	Implementation Teams Established: <ul style="list-style-type: none"> <li>• Health Information Exchange</li> <li>• Health Information Technology Adoption</li> <li>• Education and Outreach Team</li> <li>• Governance</li> <li>• Security and Privacy</li> <li>• Medical Trading Areas (MTAs)</li> </ul>
<b>April 2006</b>	Under a U.S. Department of Health and Human Services contract, Research Triangle Institute (RTI) awarded Arizona a \$350,000 grant to explore privacy and security issues surrounding the exchange of electronic health information
<b>June 2006</b>	The Governor and the State Legislature budgeted \$1.5 million for the Rural Health Information Technology Adoption (RHITA) Grant Program to further implement the sharing of electronic health information in rural areas
<b>December 2006</b>	Governance Team completed formation of the Arizona Health-e Connection non-profit organization to continue the work of the transition teams and the Arizona Health-e Connection Roadmap
<b>December 2006</b>	The Technical Team submitted two projects for the Arizona Health-e Connection to begin working on, a central Provider Index and a web-based, basic Electronic Medical Records system.
<b>January 2007</b>	Through the Rural Health Information Technology Adoption (RHITA) Grant Program, \$1.5 million dollars in grant money was distributed to 33 communities, and will impact 325 providers and 178,710 patients.
<b>January 2007</b>	Arizona Health-e Connection Board of Directors created.
<b>March 2007</b>	The Arizona Health-e Connection Summit occurred with over 350 in attendance.
<b>April 2007</b>	The Arizona Privacy Project is completed and final reports are submitted to RTI

## Endnotes:

<sup>i</sup> Kohn, L., J. Corrigan, and M. Donaldson. To Err Is Human: Building a Safer Health System. Committee of Health Care in America, Institute of Medicine. 2000.

<sup>ii</sup> HealthGrades. In-Hospital Deaths from Medical Errors at 195,000 per Year, HealthGrades Study Finds. July 27, 2004.

<sup>iii</sup> Smith, Peter, et. al. "Missing Clinical Information During Primary Care Visits," The Journal of the American Medical Association. February 2005.

<sup>iv</sup> HarrisInteractive™ [http://www.harrisinteractive.com/news/newsletters/healthnews/HI\\_HealthCareNews2004Vol4\\_Iss13.pdf](http://www.harrisinteractive.com/news/newsletters/healthnews/HI_HealthCareNews2004Vol4_Iss13.pdf)

<sup>v</sup> National Coalition on Health Care, **Facts About Health Care** - <http://www.nchc.org/facts/cost.shtml>

<sup>vi</sup> National Coalition on Health Care, **Facts About Health Care** - <http://www.nchc.org/facts/cost.shtml>

<sup>vii</sup> Ending the Document Game: Connecting and Transforming Your Healthcare Through Information Technology  
[www.EndingTheDocumentGame.gov](http://www.EndingTheDocumentGame.gov)