



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Office of eHealth Initiatives
312 Rosa L. Parks Avenue
Suite 1300 William R. Snodgrass Tennessee Tower
Nashville, Tennessee 37243
Phone (615) 532-1553
FAX (615) 532-2849**

**Dave Goetz
COMMISSIONER**

**Melissa E. Hargiss
DIRECTOR**

September 11, 2009

David Blumenthal MD, MPP
National Coordinator for Health Information Technology
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Re: Funding Opportunity Number: EP-HIT-09-001

Dear Dr. Blumenthal,

The State of Tennessee intends to submit an application for the American Recovery and Reinvestment Act of 2009, State Grants to Promote Health Information Technology Planning and Implementation Projects. The application will be submitted on behalf of the State of Tennessee which has developed a statewide plan for the implementation of health information exchange. Our proposed project is titled, **Advancing Tennessee's Health Information Exchange**. The State of Tennessee does not intend to apply as a Regional Center; instead, we are aligning our efforts with QSource, the state's Quality Improvement Organization (QIO), and supporting their independent application.

Point of Contact: State of Tennessee – Department of Finance and Administration, Director Office of eHealth Initiatives, Melissa Hargiss, 312 Rosa L. Parks Avenue, 13th Floor, Nashville, TN 37243, telephone: 615-532-1553; email: Melissa.hargiss@tn.gov.

Key Personnel: State Government HIT Coordinator- TBD; Office of eHealth Initiatives – Melissa Hargiss, Director. Health Information Partnership for Tennessee, Inc. - TBD

Participating Stakeholders: Tennessee Medical Association, Tennessee Hospital Association; Tennessee Pharmacy Association; Blue Cross Blue Shield of Tennessee; Cigna Healthcare, Inc.; Eastman Chemical Co.; CareSpark (local RHIO – East Tennessee and Southwest Virginia); MidSouth eHealth Alliance (local RHIO – Memphis and Mississippi); Middle Tennessee eHealth Connect (local start-up RHIO – Middle TN); AARP, State of Tennessee-Department of Finance and Administration; State of Tennessee-Department of Health; and State of Tennessee-Bureau of TennCare (Medicaid Agency).

Background:

Since 2004, Tennessee State Government has invested millions to develop the growth and capacity for health information exchange (HIE) and use of health information technology (IT). Over the last several years, the State has made substantial investments, matched by local financial and volunteer contributions, to develop the governance policy and technical foundation for eHealth. At the regional and local levels, in addition to an extensive grant program to promote ePrescribing to rural providers, the State has provided grant funding to support the adoption and effective use of health IT through grants to Health Information Organizations (HIOs) both to advance interoperability and to support the development of policies and business rules.

In July 2009, Tennessee stakeholders partnering with State Government created Health Information Partnership for Tennessee, Inc. (HIP TN) as a public-private partnership that created a statewide collaborative process to develop legal, governance and technology policies for health information exchange in Tennessee. HIP TN has broad stakeholder representation on its governing board (see above). The mission of HIP TN is to improve the health of people served in Tennessee using a public-private framework to coordinate and empower the sharing of appropriate health information through local and regional health information exchanges, as well as in areas not yet covered by an exchange, thereby improving quality, care coordination and cost efficiencies and public health.

Tennessee has two well-developed and operational regional initiatives, the MidSouth eHealth Alliance and CareSpark, and a number of other emerging efforts below the State-level. The State and Federal Governments have funded MidSouth eHealth Alliance and CareSpark. Both HIOs have devoted significant efforts to their respective initiatives and have highly developed governance structures. Their information exchange activities are in varying levels of actualization. CareSpark and MidSouth eHealth Alliance serve opposite ends of a very large state and presently have very little connection with each other. Innovation Valley Health Information Network is located in the Knoxville area and is in the process of collaborating with CareSpark. Middle Tennessee eHealth Connect is in the start-up phase and will serve the middle Tennessee region. Middle Tennessee Rural Health Information Network connects three critical care hospitals with their tertiary referral hospital in the upper Cumberland region of Middle TN. Shared Health, a for-profit venture of BlueCross BlueShield of Tennessee, makes Medicaid claims data available statewide and now offers providers clinical decision-making support tools. West Tennessee Healthcare, a five community hospital system in Jackson, has developed an operational exchange among some participants in the region. The Chattanooga area is presently in the planning stages to develop a HIO in its region. Many geographic areas of the State that lie between the areas served by these organizations are not served by HIO organizations. The State has designed the statewide delivery of HIE to include a network infrastructure and portal which would serve the areas of the state without HIOs.

Progress in Key Domains – Leveraging Existing Regional Efforts:

Legal and Policy HIE capacity: CareSpark and MidSouth have made significant strides in adopting privacy and security policies for health information exchange. In order to expand on the scope of recognized regional policies, the State has convened relevant, knowledgeable

stakeholders to develop uniform baseline policies for the exchange of health information on a statewide level. The Privacy and Security Workgroup has developed policies aligning the regional privacy and security policies with emerging national standards. The Workgroup has defined policies regarding Patient Notification, Access, Authorization, Authentication, Audit and Breach. The Workgroup will begin tackling the areas of sensitive health information, secondary use, minor consent, permissible use and a statewide data sharing agreement. Once these policies have been appropriately vetted through the process, the HIP TN Board will adopt the recommended policies.

Governance Capacity: HIP TN governance structure is comprised of a 14 member Board of Directors. The Board appoints the members of the Operations Council, comprised of key stakeholders. The workgroups, who are appointed by the Operations Council, report and make policy recommendations to the Operations Council who then recommends the policies to the Board for adoption. The workgroups, whose members are comprised of knowledgeable stakeholders from public and private organizations across the state, include Privacy and Security, Clinical Objectives, Governance, Financing, Health Information Technology Adoption and Evaluation and Assessment. The HIP TN staff has yet to be chosen but will include an Executive Director, Project Manager and support staff.

HIP TN has engaged and convened key constituents to provide a neutral, transparent and inclusive -forum for all healthcare Stakeholders. HIP TN is tasked with advocating for statewide HIE, serve as an information resource for local HIO and health IT activities, track/assess national HIE and health IT efforts, including educating providers on meaningful use and how to make clinical data exchange an integral part of their workflow and facilitate consumer input. It will also set policies for use of the infrastructure and integration and interoperability of varying technologies. HIP TN will create and allocate resources for a collaborative framework for decision making which defines the roles and relationships among its stakeholders. It will facilitate decisions regarding clinical priorities and develop business and financing models that will ultimately dictate sustainability and enforcement of policies.

Business and Technical Operations Capacity: The HIT Coordinator will coordinate the internal state government healthcare departments to align with HIP TN's statewide solutions for interoperability and health information exchange. The Coordinator will also support HIP TN's integration of HIE efforts with other healthcare goals, objectives, policies and initiatives and help facilitate the alignment of local, statewide, interstate, and national HIE strategies. Our Medicaid incentive program will be organized through the State's Office of eHealth Initiatives and TennCare -and will be coordinated by the HIT Coordinator.

HIP TN is aligning efforts with QSource, the State's QIO, with the development of Regional Extension Centers (REC) on a statewide basis and coordinating educating and training for the providers and hospitals on the meaningful use criteria and the reporting of those measures. HIP TN is setting up workgroups to coordinate the REC, Medicaid incentives and HIT adoption programs.

Technical Infrastructure Capacity: Over the past decade, the State has invested considerable amount of funds in the provision of a secure, statewide broadband infrastructure that connects hundreds of state agencies, local governments and educational institutions in

Tennessee. The eHealth Network was created by leveraging this investment and implementing an online portal for authorized health care providers. The Tennessee eHealth Network offers high-speed broadband capabilities with security protocols and service performance level guarantees to practitioners at State negotiated rates. The eHealth Network is a closed network and is planned to include identity management and authentication, master patient and provider indexes and document registry services in order to foster the inter- and intra-state sharing of health information. Since Tennessee also has two robust and operational regional initiatives, CareSpark and MidSouth, the eHealth Network will leverage those systems and act as the “highway” to connect the HIOs and provider practices together. The statewide HIE is intended to integrate, not supplant, these systems. The eHealth network will also enable access to a variety of assets and services over a single secure architecture that implements standards-based access at reduced cost and complexity for authorized users.

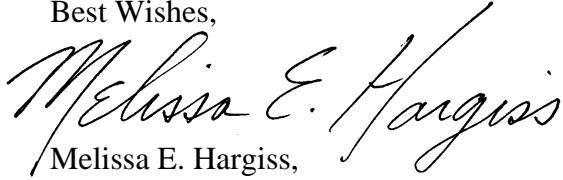
In late 2009, the eHealth Network will be expanded to include enhanced information services, including Department of Health registries, specifically, immunization, domestic violence, and controlled substances. Additionally, planning is underway to offer a statewide index as a service on the eHealth Network consisting of three distinct indexes for patients, providers and facilities. This statewide index will be used to facilitate access across state government information sources and across institutions and exchanges throughout Tennessee as well as supporting secure messaging. The eHealth Network will also provide a document registry service to: (1) enable linking of documents from institutions and exchanges and (2) manage documents for those without access to the infrastructure. The service is designed to make it easier to find and manage comprehensive patient centered information.

Finance Capacity: To date, the public sector has been the primary source of funding for Tennessee’s HIE infrastructures. Funding from both the private sector and the public sector for HIE infrastructure development has been in the nature of one-time grants and not recurring funding. Local HIEs continue to face challenges in developing sustainability models. The HIP TN board and Finance Workgroup is in the process of planning strategies for financing vehicles for up-front infrastructure costs as well as coordinated reimbursement models that reward healthcare providers for the implementation and utilization of high-quality, efficient care through health IT. It is understood by HIP TN, that infrastructure financing should be calibrated so that dollars are spent most efficiently at the state, regional and local levels. Consideration will be given to strategies to ensure that “meaningful use” incentive payments are used to strengthen and sustain the State’s efficiency, interoperability, and care improvement goals.

Public Interest: An essential component of the statewide collaborative process administered by the Operations Council of HIP TN is the Clinical Objectives Workgroup and Evaluation and Assessment Workgroup that identifies and recommends the clinical objectives that will guide statewide eHealth activities and the measures and mechanisms to track and convey progress. The Clinical Objectives Workgroup will also assess use cases on ePrescribing, labs, quality measurement and reporting, and care coordination, all of which are consistent with the initial statutory requirements for meaningful use. In order to build upon the work of the Internal Health Quality Council the defined targets for reducing diabetes, hypertension and smoking will also be included in the quality measures.

We appreciate and thank the Department of Health and Human Services, Office of National Coordinator for this grant opportunity which provides the impetus for **Advancing Tennessee's Health Information Exchange**.

Best Wishes,

A handwritten signature in black ink that reads "Melissa E. Hargiss". The signature is written in a cursive style with a large, sweeping initial "M".

Melissa E. Hargiss,
Director, Office of eHealth initiatives