

Governance Options for Health Information Exchange in Lake and Mendocino Counties¹

March 21, 2007

Introduction

The **Redwood Health Information Collaborative**² (RHIC) Steering Committee was formed in January 2006 to investigate opportunities for local stakeholders to collaborate on health information exchange (HIE) in a rural area in Northern California. With the Mendocino County Department of Public Health as a neutral convener, a broad group of stakeholders was invited to serve on the Steering Committee.³ The committee met eleven times⁴ in 2006, and has planned six more meetings for 2007. During 2006 the Steering Committee developed various planning recommendations for HIE operations in the Lake and Mendocino County region. This paper presents the governance options developed by the Steering Committee for a local HIE.

The steps that were taken by RHIC to develop these governance options over the year that they met were as follows:

- Clearly understand the background and interested parties to this collaborative.
- Bring together representatives of all interested parties.
- Develop a clear statement of purpose for the collaborative.
- Recognize all viable options for the governance of this collaborative.
- Assess the pros and cons of each option and repeat this step as often as necessary to get all voices heard.
- In making a decision, emphasis must be given to assessing potential for the pros and how to overcome the cons.

Remember that a “wait and see” option can be the most productive one in the end by allowing other pieces to the puzzle to fall into place rather than unnecessarily rushing a recommendation.

¹ **Redwood Health Information Collaborative** thanks Carol Mordhorst, recently retired after 16 years as Director of the Mendocino County Department of Public Health, for leading the Steering Committee discussions on HIE governance.

² Funding for this project was provided by the Robert Wood Johnson Foundation.

³ See Appendix 1 for a list of Steering Committee members

⁴ Agendas and handouts from Steering Committee meetings are available for download from the project archive at <http://www.mendocinohre.org/rhic/content.html>

Background

The **Redwood Health Information Collaborative**⁵ (RHIC) Steering Committee was formed in January 2006 to investigate opportunities for local stakeholders to collaborate on health information exchange (HIE) in a rural area in Northern California. With the Mendocino County Department of Public Health as a neutral convener, a broad group of stakeholders was invited to serve on the Steering Committee.⁶ The committee met eleven times⁷ in 2006, and has planned six more meetings for 2007. During 2006 the Steering Committee developed various planning recommendations for HIE operations in the Lake and Mendocino County region. This paper presents the governance options developed by the Steering Committee for a local HIE.

One of the deliverables for the RWJ grant was to determine a governance structure or model that collaboratives could use to operate or oversee a Health records exchange. Therefore, our group embarked on a process, (as outlined by Phyllis), to assess the options, the pros and cons of each option and the ways to overcome the barriers. While this was a theoretical model for the grant, our collaborative was in fact at that time, also using the process to determine our next steps for Mendocino. Thus theoretical also became actuality. This document, is intended to be used set forth a model to demonstrate how a group might go about determining options, assessing their viability and selecting an option.

The creation of a health information exchange in Mendocino and Lake Counties was first proposed in 2003. Subsequent local efforts towards the development and operation of a health information exchange includes three distinct and overlapping projects, as shown in Figure 1.

	2004					2005				2006				2007			
project	f	w	s	s	f	w	s	s	f	w	s	s	f	w	s	s	f
Mendocino SHARE	■	■	■	■	■	■	■	■									
Mendocino HRE									■	■	■	■	■	■	■		
Redwood MedNet				■	■	■	■	■	■	■	■	■	■	■	■	■	■

Figure 1 -- Relative timelines showing community HIE activity, both actual and planned, per project per calendar quarter. (f = fall, w = winter, s = spring or summer). Redwood MedNet is the only project with HIE operations planned beyond January 2007.

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Mendocino SHARE⁸ was launched in August 2003 to develop a virtual chronic disease case management system among a dozen local safety net organizations. The initial phase of the SHARE project produced a software solution for health information exchange. This software custom developed for the SHARE project -- named OpenHRE⁹ (“Open Health Records Exchange”) -- was released in 2004. In Summer 2005 the SHARE project shifted focus, ceasing further development of a community wide health information exchange and limiting resources to just six of the original participating safety-net organizations. By deliberately reducing the project scope away from a community wide collaboration on HIE, the SHARE project was succeeded by both Redwood MedNet (see below) and the Redwood Health Information Collaborative.

Mendocino Health Records Exchange¹⁰ (Mendocino HRE), a demonstration project, continued the health information exchange software development initiated during the SHARE project (i.e., “OpenHRE”). In June 2005 Mendocino HRE was funded by Connecting for Health¹¹ to participate in the Record Locator Service¹² (RLS) demonstration project. The RLS was successfully demonstrated in November 2005 by HIE projects located in Mendocino, Indianapolis¹³ and Boston.¹⁴ Also in November 2005, the same Connecting for Health team received a contract from the Office of the National Coordinator¹⁵ to demonstrate a prototype architecture for a Nationwide Health Information Network¹⁶ (NHIN). The Connecting for Health effort, coordinated by CSC,¹⁷ will result in an NHIN architecture prototype demonstration, to be held Washington, DC, in January 2007. Mendocino HRE is administered by Redwood MedNet.

Redwood MedNet¹⁸ is a non-profit corporation formed in Ukiah, California by local physicians and technologists.¹⁹ The founding of Redwood MedNet coincides with the decision by Mendocino SHARE to limit the scope of their safety net collaboration to the six participating Federally Qualified Health Center (FQHC) organizations. In contrast, the mission of Redwood MedNet is

⁸ <http://www.ruralcommunityhealth.org/projects/msp.html>

⁹ <http://www.openhre.org>

¹⁰ <http://mendocinohre.org>

¹¹ <http://www.connectingforhealth.org>

¹² <http://mendocinohre.org/hre.html#rls>

¹³ <http://www.ihie.com>

¹⁴ <http://www.mahealthdata.org/ma-share/>

¹⁵ <http://www.os.dhhs.gov/healthit/> -- also known at the time as Dr. David Brailer’s office

¹⁶ <http://www.os.dhhs.gov/news/press/2005pres/20051110.html>

¹⁷ <http://www.csc.com> -- aka “Computer Science Corporation”

¹⁸ <http://www.redwoodmednet.org>

¹⁹ A health information technology steering committee was begun in July 2004 by Dr. Carl Henning, MD. The meeting was called to enable local private practice physicians to participate in the SHARE project. However, the SHARE project declined to meet with the physicians, who then convened as a separate steering committee under the name “Redwood MedNet.”

“to demonstrate the secure and appropriate sharing of electronic health files and clinical data and to develop, improve and assist in the implementation of health information technology for all physicians, caregivers and consumers in Northern California.”²⁰ In November 2004 the committee proposed a clinical message service to the Medical Staff at Ukiah Valley Medical Center.²¹ After failing to find an existing community organization as a sponsor, in Summer 2005 Redwood MedNet incorporated as a separate organization. In November 2005 Redwood MedNet received a grant from Blue Shield of California Foundation²² to build a clinical message service. The first phase of the service will deliver test results from analytical laboratories to 25 ambulatory practices in the Lake and Mendocino County region. Redwood MedNet envisions this service as the starting point for a full community health information infrastructure, to be developed as funding permits.

As is evident from this evolutionary process among the three complementary community projects, Redwood MedNet is the most likely local entity to launch and operate an HIE in the Lake and Mendocino County region. A private non-profit governed by a self-appointing Board of Directors,²³ Redwood MedNet was explicitly named in the original Redwood Health Information Collaborative proposal as the likely operating entity for a local community HIE effort.

Steering Committee Options

Five options are available to the steering committee.

- (1) Support and advise an existing organization (i.e., “Redwood MedNet”) in launching and operating a local health information exchange
- (2) Support and advise an existing organization (i.e., not “Redwood MedNet”) in launching and operating a local health information exchange
- (3) Incorporate a new organization to launch and operate a community-based health information exchange for Lake and Mendocino Counties
- (4) Dissolve the steering committee at the end of the grant after publishing the four planning recommendations
- (5) Continue the steering committee

The following five tables review pro and con aspects of each of these five options with an eye towards identifying the best alternative for advancing the local HIE development process.

²⁰ Quoted from the Redwood MedNet “Articles of Incorporation.”

²¹ http://www.redwoodmednet.org/news/20041104_uvmc.pdf

²² <http://www.blueshieldcafoundation.org>

²³ In December 2006 the nine member BOD has 6 physicians, 1 pharmacist, 1 hospital IT director, and 1 Community Clinic Executive Director.

Option #1 -- Support and Advise Redwood MedNet

Pro	Con
Redwood MedNet already formed, with existing 501(c)(3) status from IRS & FTB	Potential of only an advisory role, which may be inadequate for non-physician stakeholder representation
RMN has funding	Redwood MedNet is perceived as a “physician only” group
Unification prevents duplication of effort	May fail to broaden community wide stakeholder participation
Redwood MedNet has initiated development of health information exchange services	Advisory role may be opposed or prevented by current Redwood MedNet stakeholders
Redwood MedNet has fostered support from local physicians	Redwood MedNet is a new entity with no real track record or experience operating anything
Working with Redwood MedNet would help soften perception of Redwood MedNet as a physician-only group	Current physician led group is not used to working with community input
Successful community collaboration will increase legitimacy of the effort	Limited budget and lack of ongoing operations funding
Opportunity to advocate for other stakeholder participation on Redwood MedNet Board of Directors	Commitment of Board to dedicate time to conduct business (e.g, 3 meetings in 2006 did not muster a quorum)
A broad based community group is attractive to funders	
Willingness of Redwood MedNet to modify their governance structure to meet the needs of the community	
Organization structure allows dues collection or other revenue generating activities	
Redwood MedNet has earned goodwill from traditional funders	
How soon is governing entity needed?	

Option #2 -- Support and Advise Another Organization (i.e. not Redwood MedNet)

Pro	Con
Investigation of other options besides Redwood MedNet can establish viability of Options #1 or #3	No guarantee a potential partner will be found (Redwood MedNet already looked for one in 2004 - 2005)
Potential new partner may already have funding	The investigation will be time consuming
	Could alienate Redwood MedNet
	New entity may fail to broaden stakeholder representation from a perspective of community stakeholder participation
	New entity may have an unknown track record with health information technology
	New entity may have difficulty integrating or gaining trust with existing stakeholders
	New entity may have hidden agenda

Option #3 -- Incorporate a New Entity

Pro	Con
Community control of the HIE operation	Duplication of effort compared to merging with Redwood MedNet
Opportunity for future endeavors	Lack of organizational infrastructure
Not associated with any specific stakeholder group (e.g., Community Clinics, Physicians, Hospitals, etc.)	Perceived failure to collaborate if Redwood MedNet succeeds at building and operating an HIE
Potential for a Board of Directors broadly representative of all community stakeholders	Unnecessary if Redwood MedNet succeeds at building and operating an HIE
Incorporation is necessary if no other entity is available	Creation of a second HIE effort may doom both efforts
A broad based group of stakeholders is attractive to potential funders	Current IRS hold on new 501(c)(3) applications for HIE sponsoring entities
Organization structure allows dues collection or other revenue generating activities	Lack of funding
Can leverage momentum of current process	Liable for “failures” or “breaches”
Could be incorporated as a for profit or can be a for profit subsidiary of an existing non-profit.	Delay of 501(c)(3) approval will prevent funding applications
	Would alienate Redwood MedNet
	Could alienate current committee participants

Option #4 -- Dissolve the Steering Committee

Pro	Con
No current funding source to continue committee staff beyond December 2006	Loss of representation for participating community stakeholders in further health information exchange development
No need for staff support	Loss of opportunity for coordinated access to information about State and National health information exchange efforts
Grant deliverables complete	Enables naysayers to claim the community can't sustain collaboration
Fewer meetings to attend	Could alienate Redwood MedNet, unless done gracefully
	Agency is supportive of continuing the Steering Committee

Option #5 -- Continue the Steering Committee

Pro	Con
RWJF may approve request for extension of funding, which would provide funded staff for up to six months of continued committee meetings	If RWJF declines request for extension of funding, then there is no immediate budget for committee operations
Continuity for community participation	
Opportunity to expand participation	
Gives time for Redwood MedNet to launch online results delivery service	
Various participating entities available for further funding	
Committee members want to continue meeting	
Public Health remains an enthusiastic supporter of the committee	

Governance Recommendation

The five final status options articulated by the Steering Committee were debated and analyzed during the September, October and November meetings. Several compelling points enabled the Steering Committee to reach a consensus.

- **Redwood MedNet is in position to lead HIE development on behalf of the local community.** An early perception of Redwood MedNet as “Ukiah based” and as “physician only” is less accurate now than it was a year ago. For example, in the past year, three Ukiah based physician members who resigned from the Board of Redwood MedNet were replaced with a Pharmacist, an Executive Director of a Rural Community Clinic, and a Medical Director of a Rural Community Clinic.
- **Breadth of stakeholder representation for an HIE operator may be overrated.** There are HIEs which operate with limited stakeholder representation, including physician led efforts (e.g., Santa Cruz, Taconic, etc.).
- **It is not necessary to make a “final” governance decision right now.** There is no good reason to withhold support from Redwood MedNet at this time. It is a new organization, has an unproven track record for HIE operations, and their pilot technology launch is only a few weeks away. In this situation, patience is an asset.
- **There are compelling reasons to continue the Steering Committee meetings.** Participants expressed unanimous interest in continuing the meetings. Local stakeholders continue to offer enthusiastic institutional support.

The consensus governance recommendation is that the Steering Committee will **Continue to Meet** (Option #5) and will continue to **Support and Advise Redwood MedNet** (Option #1). What may be most significant is the absence of support from the committee for options #2, 3 and 4. Rather than break with Redwood MedNet to form a parallel or competing community organization, committee members unambiguously support continued collaboration with Redwood MedNet. Also, Steering Committee meetings are considered helpful, and current members anticipate making further progress.

Looking forward, committee documents developed to date on strategic planning, cost modeling, governance, privacy policies and user agreements are all works in progress. With relevant content to refine and interesting details to discuss, the Redwood Health Information Collaborative can continue to make steady progress towards health information exchange for a rural community.

Appendix 1

Members of the Steering Committee

- Greg Andresen** -- I.T. Director, Northern California, Quest Diagnostics
- Darcie Antle** -- Practice Administrator, Ukiah Valley Primary Care Medical Group
- Jodi Bibler, MSN** -- Quality Improvement Advisor, Lumetra
- Sylvia Burlew, MPH** -- Medical Records Manager, Mendocino Coast District Hospital
- Morgaine Colston, MS** -- Deputy Director, Family Assistance Services, Mendocino County Department of Social Services
- Lyman Dennis, PhD** -- CIO, Partnership Health Plan of California
- Heidi Dickerson** -- District Representative, U.S. Congressman Mike Thompson
- Robert Faulk, MA** -- Executive Director, Medical Society of Lake and Mendocino Counties
- Cathy Frey, MHA** -- Executive Director, Alliance for Rural Community Health
- Glenna Gobar, DVM** -- Adjunct Assistant Professor, Medical Informatics, UC Davis School of Medicine
- Carl Henning, MD** -- President, Redwood MedNet & Orthopedic Surgeon, Ukiah Valley Primary Care Medical Group
- Kathy Kelley** -- District Representative, California State Assembly Member Patty Berg
- Carol Mordhorst** -- Director (Retired), Mendocino County Department of Public Health
- Sara O'Donnell** -- Executive Director, Cancer Resource Center of Mendocino County
- George Provencher** -- Executive Director (Retired), Consolidated Tribal Health Project
- Dan Taylor, MA** -- Assistant Director, Mendocino County Department of Public Health
- Marvin Trotter, MD** -- Health Officer, Mendocino County Department of Public Health
- Mark Turner** -- I.S. Site Coordinator, Ukiah Valley Medical Center & Howard Memorial Hospital
- Phyllis Webb, MS** -- Data Analyst, Mendocino County Department of Public Health