

Report Highlights

Pennsylvania eHealth Partnership Evaluation

Act 2012-121 created the PA eHealth Partnership Authority as an independent agency of the Commonwealth to facilitate voluntary electronic sharing of health records and public health information statewide through regional health information organizations (HIOs), and directed the LB&FC to evaluate the management, viability, and performance of the Authority, which was scheduled to expire July 2017. In July 2016, Act 2016-76 eliminated the Authority as an independent agency and created the PA eHealth Partnership Program within the Department of Human Services (DHS) with an advisory board to be appointed within 90 days by the General Assembly and the Secretary of DHS.

We found:

- **Act 2012-121 reinforced prior public and private efforts, nationally and in Pennsylvania, to promote and support adoption of health information technology and statewide electronic health information exchange.** They included the state medical society, hospital and health system association, and major health insuring organizations forming the non-profit PA eHealth Initiative (PAeHI), and some PA health systems forming regional HIOs. PA was also awarded a \$17.1 million one-time, multi-year federal grant for a statewide exchange with governance through a public-private partnership created in state legislation. Act 121 provided such governance, and made PA one of 33 states (including Delaware, Maryland, New York, and West Virginia) with statewide exchange legislation.
- **Significant private and public funds have been invested thus far to promote electronic health records (EHRs) and health information exchange.** The federal Centers for Medicare and Medicaid Services (CMS), for example, as of early 2016, had paid over \$1.45 billion in incentive payments to 22,000 unique PA providers and 172 hospitals to adopt EHRs and demonstrate their “meaningful use.” By 2014, 76 percent of PA physicians had adopted some form of EHR systems, and 87 percent of PA hospitals electronically exchanged health information with outside providers.
- **The Authority accomplished many responsibilities assigned by Act 121. It:**
 - Invested about 40 percent of PA’s \$17.1 million grant in local and regional exchanges.
 - Obtained through DHS about \$5 million in CMS funds for regional HIOs to help link over 70 hospitals and ambulatory centers to regional and state exchanges.
- **As of June 2016, the Authority Board had been without a hospital representative for more than 1 ½ years, and a consumer representative for almost a year.** This despite significant efforts to involve key stakeholders, develop and conduct consumer education programs, and establish a consumer opt-out-registry as part of the state exchange.
- **Private revenues will not be sufficient to sustain statewide exchange operations.** PA’s exchange was designed to build on existing local networks and information service providers and not supplant them. It, therefore, anticipates only \$500,000 annually in private source revenue. To sustain efforts for statewide and national exchange, DHS’s FY 2016-17 budget includes about \$4 million for Act 76’s new program, with about half from federal sources.

Recommendations:

1. DHS and the General Assembly should form an advisory board for Act 76’s new program.
2. The hospital and consumer representative seats should be filled.
3. The General Assembly may wish to require the new DHS program be evaluated in three to five years in light of the many changes that are occurring in health information technology and exchange, the implementation of federal payment reform initiatives, and to assess the effect of the transfer of Authority activities to DHS.