BUDGET ALERT:

How California's Budget Proposal Misses the Mark on Statewide Health Information Exchange

Governor Newsom's 2021-22 Revised Budget Proposal does not include dedicated funding for the build-out of a statewide health information exchange network for all Californians and their care teams. While the budget includes funding—over $430 million—for initiatives that address discrete aspects of data exchange, if pursued together in a unified approach, we can advance the creation of a statewide health information exchange.[1] Below we outline these proposals and highlight how the DHCS Population Health Management Solution fails to align with Connecting for Better Health's policy aims and priorities.

Key Aspects of the Governor's Budget:[2]

- **$315M** to procure a **Population Health Management (PHM) vendor** to utilize administrative and clinical data for the Department of Health Care Services (DHCS), Medi-Cal Managed Care Plans, counties, providers, Medi-Cal beneficiaries and other partners
- **$3.9M** to the Office of Statewide Health Planning Development (OSHPD) for activities including to **strengthen the state's health data assets** and workforce data system
- **$2.5M** to the California Health and Human Services Agency to lead **stakeholder engagement efforts** around health information exchange for health and social services programs
- **$10M** to the Emergency Medical Services Agency (EMSA) to establish **statewide emergency services data infrastructure**
- **$4M** to DHCS to repurpose Cal-HOP dollars for **other interoperability and data exchange efforts in Medi-Cal**
- **$100M** to fund behavioral health services in schools, including to build out **data sharing systems**

Understanding how the DHCS Population Health Management Solution aligns the coalition's aims and California's priorities

The data exchange initiative in the Governor's Budget set to receive the most funding is DHCS's Medi-Cal Population Health Management Solution. While a detailed plan has yet to be laid out, the coalition has outlined DHCS's objectives below, and identified how this proposal fails to align with its policy aims and priorities.

Connecting for Better Health

Objectives of the DHCS Population Health Management Solution

- Standardize data and provide statewide risk stratification
- Support the identification of gaps in care based on a standardized approach
- Support the identification of gaps in beneficiary referrals
- Flag candidates for potential case management and indicate levels
- Support information sharing among Medicare and Medi-Cal health plans and providers
- Use population health analytics to guide local interventions and inform DHCS policy
- Allow beneficiaries to access a comprehensive longitudinal record and empower patients

Connecting for Better Health Policy Aim	DHCS's Population Health Management Solution
Compel every provider and health plan to share needed data so that the whole care team, regardless of where they are in the state, has the information they need to serve their patients.	◯ Will only serve Medi-Cal patients and providers, and there is no requirement for providers and Managed Care Plans to share needed data.
Cement an ongoing source of funding. Other states have leveraged available federal funding to build robust health information exchange infrastructure. It is time for California to do the same.	◑ Includes $300 million total funds for local assistance funding and $15 million total funds for state operations in FY 2021-22, but this funding only supports Medi-Cal
Build needed statewide infrastructure while leveraging regional efforts, making sure every stakeholder has the appropriate support to participate.	◯ Does not specify if or how the procured solution will leverage regional HIO efforts or Managed Care Plans' population health management initiatives

In our previous fact sheet, "How a Health Information Exchange Network Will Support California's Health Care Priorities," Connecting for Better Health outlined why a statewide HIE network is necessary to meet California's priorities, as they have been outlined in publications and legislative hearings.[3] Although the Population Health Management Solution moves the state forward on meeting some of the needs of Medi-Cal beneficiaries with complex needs and quality reporting, the investment misses the mark by not meeting the state's health priorities for *all* Californians.

State Priorities	Use Case	DHCS' PHM Solution
Disaster Response Pandemic Response	Access to real-time information for individuals and populations that can be used to rapidly mobilize and respond to specific needs including physical and mental health needs.	○ Does not specify whether participating entities would be able to engage in population-level data transactions, or whether emergency responders would be able to query this solution at the point of care
Serving patients with complex needs	Supporting continuity of care and timely follow-up by delivering messages among hospitals, health plan care managers, prior authorization systems and primary care providers.	◑ Will collect data from many physical health, behavioral health and social service providers to identify gaps in care but will be limited to data associated with Medi-Cal beneficiaries and does not specify how data will be acquired without a data sharing mandate
Quality reporting and value based care	Improving quality performance with data extracts for HEDIS and other programs.	◑ May be used to collect and analyze data for quality purposes but will be limited to data associated with Medi-Cal beneficiaries

[1] Note that the Assembly Appropriations Committee estimated that establishing a statewide HIE network through AB 1131 would require $150 million in funding in 2021-22, far less than the $430 million that the Governor plans to collectively spend on data sharing-related projects. Find the analysis at https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220AB1131.

[2] Find the Governor's May Revision to the California Budget for 2021-2022 at http://www.ebudget.ca.gov/ and the Department of Health Care Services Highlights for 2021-2022 at https://www.dhcs.ca.gov/Documents/Budget_Highlights/DHCS-FY-2021-22-MR-Highlights.pdf.

[3] Jonah Frohlich, Eric Bartholet & Jonathan DiBello, Cal. Health Care Found., Why California Needs Better Data Exchange: Challenges Impacts, and Policy Options for a 21st Century Health System (2021), available at https://www.chcf.org/wp-content/uploads/2021/02/WhyCaliforniaNeedsBetterDataExchange.pdf.