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California Health Data and Technology Funding Blueprint

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In California, the state's ambitious 1115 Medicaid waiver program, California Advancing and Innovating Medi-Cal (CalAIM), is providing significant investments for behavioral health integration and social needs interventions across Medi-Cal programs. At the same time, the state's Data Exchange Framework and Data Sharing Agreement establish a common set of rules and policies for data sharing across the health and social sectors in the state. Beyond these two efforts, California's health, public health, and social services agencies have several ongoing projects that face similar data and technology needs, such as:

- Enhanced electronic data management systems (e.g., electronic health record (EHR), electronic screening and assessment tools, data management systems)
- Client data exchange through intermediary entities, including health information exchanges (HIEs), community information exchanges (CIEs), and/or care coordination platforms
- Resource data exchange through community resource referral networks
- Community data governance with stakeholder engagement and nonprofit board governance
- Aggregated, integrated data sets and analytics capabilities
- Program performance measurement and evaluation
- Digital identity strategy for cross-organization and organization patient/person identity matching

At the federal level, the Office of the National Coordinator for Health Information Technology (ONC) and the Centers for Medicare and Medicaid Services (CMS) have continued to support health information exchange through Medicaid Enterprise Systems (MES) authority, and recently concluded HITECH authority. More recently during the COVID-19 pandemic, the Centers for Disease Control and Prevention (CDC) has received

new resources to modernize public health data systems through its Data Modernization Initiative.¹

Given these state and federal investments in data infrastructure, now is the time for California to develop a comprehensive strategy to take advantage of these funding opportunities and create lasting, interoperable data systems. Connecting for Better Health published this issue brief to help California's public and private partners maximize the benefit of these investments.

Recommendations for a State Data and Technology Funding Blueprint

Despite the overlapping nature of the ongoing work in California, many of the programs and stakeholder funding opportunities are siloed and uncoordinated. For example, the CalAIM programs allow for qualifying entities, including health care providers, county mental health plans, and Managed Care Plans, to draw down federal Medicaid matching funding for health IT improvement projects. However, these programs were launched without a requirement for stakeholders in given communities to coordinate or ensure that funded improvements support interoperability and enhanced data sharing across stakeholders.

To address these issues, state officials should publish a Data and Technology Funding Blueprint that encourages alignment across programs and communities, maximizes federal funding and community engagement, and enhances the availability of data. When developing such a Blueprint, the state should consider the following recommendations:

1. **Create a cross-agency task force.** The California Health and Human Services Agency (CalHHS) should consider creating a cross-agency task force with agency and division data, technology, and interoperability directors from its subordinate agencies, as well as the Department of Education, the Department of Insurance, and the Department of Aging, among others. The task force would be charged with identifying parallel efforts and aligning strategic priorities related to data and technology improvements, including conducting an inventory of existing state assets such as registries and databases and aligning data and interoperability standards across agencies. Importantly, through this task force, agencies could

¹ Centers for Disease Control and Prevention, Data Modernization Initiative (last updated November 18, 2022), available at <https://www.cdc.gov/surveillance/data-modernization/index.html>.

identify and evaluate opportunities for collaborative funding requests and strategies to braid, blend, or stack funding where alignment is possible.

Example: Washington’s Health and Human Services Enterprise Coalition (HHS Coalition) coordinates five agencies on strategic direction, state financial budget and legislative processes, cross-organizational information technology (IT) project support, and federal funding guidance across Washington's HHS organizations.² Based on a strategy outlining a common vision and enabling strategies, the state’s Health Care Authority collaborates with other state agencies on several efforts of shared interest, including an eligibility and enrollment platform, a master person index, and a community information exchange planning project.³

- 2. Maximize federal Medicaid matching funding for technology planning, implementation, and maintenance.** By creating a braided funding strategy across CalHHS agencies with aligned funding objectives, California could maximize federal financial participation for planning, development, and implementation for data infrastructure and technology improvements, most importantly through the Medi-Cal program and CMS Medicaid Enterprise Systems Federal Financial Participation (FFP).⁴ CalHHS agencies, in coordination with the Department of Health Care Services (DHCS), should carefully review all health IT investments to understand where they impact Medi-Cal providers and beneficiaries and where the state can take advantage of the 90% federal match funding for coordination and technology investments. These joint efforts should be captured in the State

² Substitute Senate Bill 5092; Section 210(3)(b)(i),(ii); Chapter 334; Laws of 2021 Washington Health and Human Service Coalition.

<https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=HCA%20Report%20-%20Health%20%20Human%20Services%20Enterprise%20Coalition%20IT%20Investment%20Coordination%20453d4802-9259-420f-a629-5a8ed2e73cb5.pdf>.

³ Washington State Health Care Authority Health and Human Services Enterprise Coalition, Legislative Proviso Report on IT Investment Coordination (November 1, 2022), <https://app.leg.wa.gov/>.

⁴ Under section 1903(a)(3)(A)(i) of the Social Security Act (the Act) and 42 C.F.R. § 433.112, states are eligible to receive enhanced 90 percent FFP for their expenditures attributable to the design, development, or installation (DDI) of MCPIRS.

Medicaid Health Information Technology (HIT) Plan maintained by DHCS and approved by CMS.⁵

Example: Faced with the sunset of HITECH funds for health information exchange (HIE) infrastructure, Maryland has secured Medicaid Enterprise Systems funding for statewide health information exchange operations costs at a 75/25 federal-state match rate.⁶ These investments support the state's HIE, CRISP, and support the state's Medicaid program by facilitating care management, the state's all-payer claims database initiative, and service at the point of care. California stakeholders proposed a similar \$95 million plan to provide sustainability funds for health information organization's ongoing operations,⁷ although this plan was not ultimately included in the state budget for FY 2022-23.

- 3. Align county-level investments and programs.** Counties should establish committees dedicated to aligning funding within county divisions and across counties to create, coordinate, and share technical investments. Additionally, counties should braid together state and federal funding that provide competitive grants, cooperative agreements, and formula-based funding to organizations for data, technology, and interoperability programs. Counties can maximize federal matching funds, where applicable, for planning, implementation, and operations through federal funding sources such as the CDC, the Health Resources and Services Administration (HRSA), and other federal agencies' cooperative agreements. County agencies with authority over the Specialty Mental Health Plan, Drug Medi-Cal/Drug Medi-Cal Organized Delivery System, and public health should be of high priority for inclusion in this effort, given their ability to obtain federal matching for certain activities.

⁵ California Dep't of Health Care Services, California State Medi-Cal Health Information Technology Plan (2022), available at <https://www.dhcs.ca.gov/provgovpart/Documents/OHIT/CA-State-Medicaid-HIT-Plan-2022.pdf>.

⁶ Maryland Health Services Cost Review Commission, Maryland's Statewide Health Information Exchange, the Chesapeake Regional Information System for our Patients: FY 2023 Funding to Support HIE Operations and CRISP Reporting Services Final Recommendation (June 8, 2022), <https://hsrc.maryland.gov/Documents/June%202022%20HSCRC%20PUBLIC%20Pre-Meeting%20Materials-FINAL.pdf>.

⁷ Letter from California health care organizations to Governor Newsom, Pro Tem Atkins and Speaker Rendon (February 8, 2022), https://2epxf1xdstd3zuk0s14d5ls-wpengine.netdna-ssl.com/wp-content/uploads/2022-23-Health-Budget-Request_Data-Sharing-Incentives-Infrastructure.pdf.

Example: Colorado Department of Local Affairs, Division of Local Government focuses on coordinating with state and county agencies to leverage and braid together federal, nonprofit, and philanthropic funding.⁸ The Department has also established a Resiliency Office that serves as a clearinghouse to help local jurisdictions understand available resources and hosts regional workshops and strategic planning efforts.

4. **Create a standard needs assessment that addresses data, interoperability, and technology needs for all health transformation activities.** Health care transformation activities such as 1115 waivers often overlap in purpose, stakeholders affected, and technology needs. As California develops innovative programs and services, a data and technology needs assessment could inform the tools, infrastructure, and technical capabilities needed to support an expanded workforce and services. Expanding needs assessments to include data, interoperability, and technology needs could inform community health improvement plans and public health priorities.
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Example: Colorado requires an evaluation of information technology resources with aligned strategic planning, policy for using external vendors, and cost and feasibility assessments for IT infrastructure.⁹ This ensures that the state can leverage existing resources and streamline business practices. The state has already identified over 20 transformation projects and is focused on improving customer (agency) satisfaction, transparency, and efficiency in the state’s overall IT service model and procurement.¹⁰

5. **Think outside the box when it comes to funding data sharing efforts.** In developing a blueprint for drawing down health IT-specific funding opportunities, California agencies should look for funding opportunities that address issues

⁸ Colorado Department of Local Affairs, Local Government Funding and Technical Assistance (last updated 2022), <https://cdola.colorado.gov/Funding-Technical-Assistance>.

⁹ Colorado Senate Bill 19-251 (2019), https://leg.colorado.gov/sites/default/files/documents/2019A/bills/2019a_251_enr.pdf.

¹⁰ Colorado Governor’s Office of Information Technology, Reimagining IT in Colorado (2021), <https://www.nascio.org/wp-content/uploads/2021/08/Reimagining-IT-in-Colorado-NASCIO-2021-State-IT-Recognition-Nomination-State-CIO-Office.pdf>.

facing the state that have implications for health. Funding related to climate change and environmental disasters, for example, present opportunities for California’s health agencies to think creatively about how investments in technology and data infrastructure could support efforts to address issues outside of “traditional” health care.

Example: The Inflation Reduction Act of 2022 includes multiple provisions and significant new funding to address public health, environmental justice, and disaster preparedness, with an eye toward mitigating the disproportionate toll climate change takes on vulnerable communities.¹¹ The Office of Climate Change and Health Equity (OCCHE) compiled a compendium of financial resources, including funding opportunities for a variety of health care settings.¹² Examples of funding opportunities listed include the Federal Emergency Management Agency (FEMA) Building Resilient Infrastructure and Communities (BRIC)¹³ and Hazard Mitigation Grant Program (HMGP).¹⁴ Improvements to existing technical infrastructure should be considered to integrate climate-sensitive diseases into existing surveillance systems, enhance health data indicators and vulnerability assessment tools, align technical assistance, and coordinate investments. In developing a strategy, state agencies can utilize CDC’s Building Resilience Against Climate Effects (BRACE) Framework, a five-step process for health officials and communities to develop data-informed strategies and programs to prepare and respond to climate sensitive health impacts using data.¹⁵

¹¹ H.R.5376 (2022), <https://www.congress.gov/bill/117th-congress/house-bill/5376/text>.

¹² U.S. Dep’t of Health and Human Services, Federal Resource to Support Emissions Reduction and Climate Resilience for Healthcare Stakeholders (last updated October 28, 2022), <https://www.hhs.gov/climate-change-health-equity-environmental-justice/climate-change-health-equity/actions/health-care-sector-pledge/federal-resources/index.html>.

¹³ U.S. Federal Emergency Management Agency, Building Resilient Infrastructure and Communities (last updated November 21, 2022), <https://www.fema.gov/grants/mitigation/building-resilient-infrastructure-communities>.

¹⁴ U.S. Federal Emergency Management Agency, Hazard Mitigation Assistance Grants (last updated November 21, 2022), <https://www.fema.gov/grants/mitigation>.

¹⁵ Centers for Disease Control and Prevention, Building Resilience Against Climate Effects (BRACE) Framework (last updated October 31, 2022), <https://www.cdc.gov/climateandhealth/BRACE.htm>.

Conclusion

California policymakers should create a comprehensive strategy that maximizes federal funding opportunities and creates lasting, interoperable data systems. A variety of state and federal investments in health data infrastructure exist to meet these needs, and the state should prioritize a technology funding blueprint that leverages those investments to improve health outcomes for all.

Connecting for Better Health (C4BH), founded in 2021, is a coalition of diverse stakeholders including providers, caregivers, health plans, patient advocates, innovators, and community based organizations. We strive to improve the state's data sharing infrastructure with a shared goal of transforming health and social outcomes for all Californians. For more information, please contact info@connectingforbetterhealth.com.