



Office of the Director
Kate Brown, Governor

Oregon
Health
Authority

500 Summer Street NE E20
Salem, OR 97301
Voice: 503-947-2340
Fax: 503-947-2341
TTY: 503-947-5080

March 24, 2015

The Honorable Richard Devlin, Co-Chair
The Honorable Peter Buckley, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Re: Competitive Cooperative Agreement—Approval Needed—ARRA Funded
FOA No. IX-IX-15-001: Advance Interoperable Health Information Technology
Services to Support Health Information Exchange

Dear Honorable Co-Chairs:

The Oregon Health Authority (OHA) requests approval to apply for the above-referenced cooperative agreement offered by the U.S. Department of Health and Human Services through the Office of the National Coordinator for Health Information Technology (ONC). The Funding Opportunity Announcement was released on February 03, 2015, with an application due date of April 6, 2015. This cooperative agreement is the result of the American Recovery and Reinvestment Act (ARRA), Title XIII, Subtitle B, Section 3013.

The total amount of federal funding available under this Funding Opportunity Announcement is \$28,000,000. ONC is expecting to make 10 to 12 awards to states or state-designated entities with approximate funding range of \$1,000,000 to \$3,000,000 per award. The period for performance of this cooperative agreement is two years or 24 months, beginning in June 2015. The cooperative agreement requires a 1:3 match over the course of the two year period for performance. In-kind contributions are allowed to meet this match requirement and can come from both private and public sources.

Purpose of the Funding Opportunity: With the passage of ARRA and the Health Information Technology for Economic and Clinical Health (HITECH) Act, Congress set forth a plan for advancing the meaningful use of health information technology to

improve the quality and efficiency of care. In 2009, ONC offered the original State Health Information Exchange cooperative agreement program to establish and enable the secure flow of information between providers and other sources to support health care and population health. Applicants are expected to leverage investments and lessons learned from the original ONC Program to advance the standardized, secure, and interoperable movement of health information across different types of providers and systems.

Grant Scope and Milestones: Applicants for this Funding Opportunity are expected to focus on projects that allow for the exchange of information between specific target organizations as follows. Grantees must include:

- Critical Access Hospitals and/or providers who are eligible for federal incentive payments to adopt certified Electronic Health Record technology: doctors of medicine, dental providers, and nurse practitioners.
- At least two non-eligible care provider groups: behavioral health providers, long-term and post-acute care providers, individuals themselves (through patient portals or other means), public health, social service organizations, and others.

ONC is using a performance-based payment structure for this cooperative agreement that is tied to three milestones:

- Adoption – expanding the uptake of health information exchange technology, tools, services and policies that enable interoperable exchange;
- Exchange of Health Information – facilitating and enabling send, receive, find, and use capabilities to access health information from external sources to incorporate into the care provider's clinical and non-clinical workflows and interactions with patients; and
- Interoperability of Data Systems – increasing the integration of health information into health IT systems for population management, measurement reporting, and improvements in clinical care.

Sub-recipients of Grant Funds: The current Funding Announcement provides the opportunity for community organizations in Oregon, such as CCOs, providers and community organizations supporting health information exchange to use federal funds to expand upon their current efforts around health information exchange. Oregon has two established regional HIEs, Jefferson HIE in Southern Oregon and the Columbia River Gorge and Central Oregon HIE in Bend, as well as several emerging HIEs in other regions of the state.

OHA intends to pass through the majority of any funds awarded to a sub-recipient, Jefferson HIE. OHA solicited interest from potential sub-recipients through an open letter

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of interest process, received 10 responses, and a stakeholder selection committee unanimously selected the candidate that OHA will work with on the grant application.

Requirements for Matching Funds: The cooperative agreement requires \$1 match for every \$3 Federal dollars—a 1:3 match. This matching mechanism will be accounted for in quarterly reports to ONC. Matching funds can include in-kind contributions from non-federal sources, including sub-recipient volunteered staff time, facilities, and health information technology equipment. OHA's application will include no state general fund commitment for this cooperative agreement and no future spending is expected.

This is a unique opportunity to bring federal funds to our state to support community health information exchange efforts that support OHA's vision of health system transformation and integration of behavioral health. For additional information or any questions, please contact Susan Otter, Director of Health Information Technology, at 503-428-4751 or susan.otter@state.or.us.

Sincerely,



William J. Coulombe
Budget Director
Oregon Health Authority

CC: Ken Rocco, Legislative Fiscal Office
George Naughton, Chief Financial Office
Linda Ames, Legislative Fiscal Office
Kate Nass, Chief Financial Office
Art Ayre, Chief Financial Office