

OFFICE OF HEALTH INFORMATION TECHNOLOGY

Enabling Laws

Act 265 of 2012
A.C.A § 25-42-101 et seq.

History and Organization

The Office of Health Information Technology (OHIT) was established through a Miscellaneous Federal Grant authorized by the American Recovery & Reinvestment Act (ARRA) of 2009, which included the Health Information Technology for Economic & Clinical Health Act (HITECH) of 2009. HITECH authorized grants to promote health information technology as part of the overhaul of the healthcare system. OHIT was created to promote a health information exchange for information sharing among health care providers.

The Health Information Exchange (HIE) is necessary for electronic movement and use of health information according to national standards and exists independently of the Health Benefits Exchange proposed under the Patient Protection & Affordable Care Act of 2009. OHIT will continue to provide information about health care providers, patients, and patient records, regardless of which benefits exchange option the state chooses.

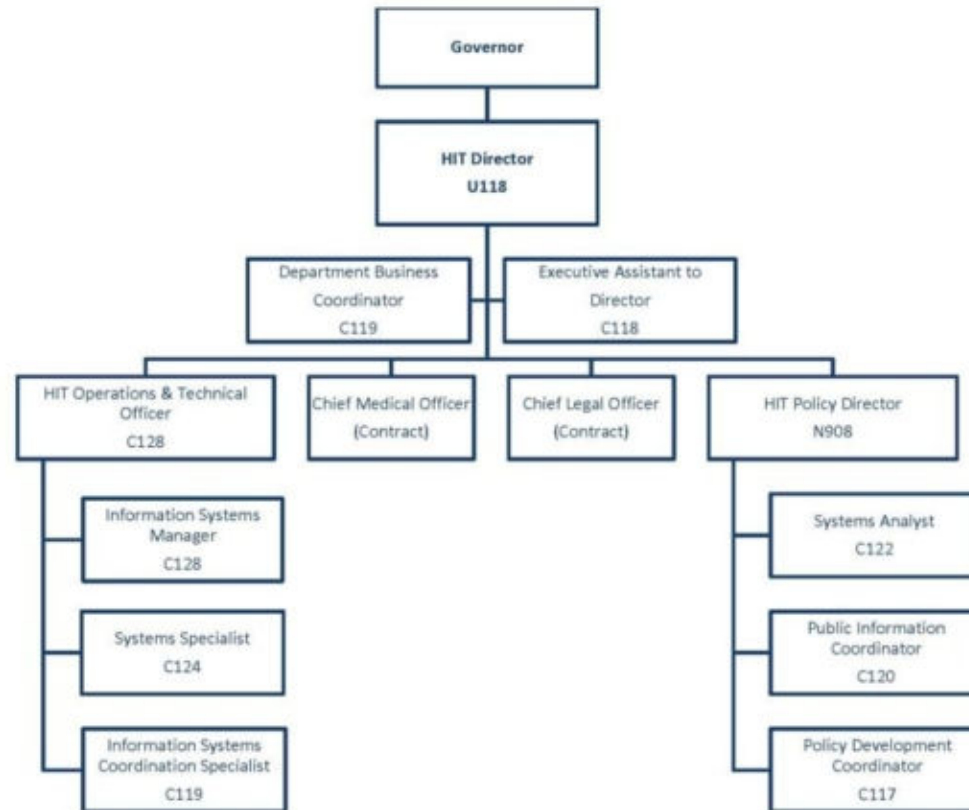
The 88th Regular Session of the General Assembly passed Act 891 of 2011 which established the Office of Health Information Technology and the governance structure for the State Health Alliance for Records Exchange (SHARE).

Act 891 established:

- The Office of Health Information Technology, provided the initial governance structure of the State Health Alliance for Records Exchange (SHARE), and authorized the Office to form a non-profit corporation at the proper time,
- The policies creating the Office and SHARE,
 - Details privacy and security components of SHARE and authorizes the Office to promulgate any additional rules and regulations,
 - The authority to establish reasonable fees or charges for the use of SHARE to fund operational costs of the Office and SHARE,
 - The Health Information Technology Fund, and

- OHIT shall serve as the coordinator of all health information technology efforts in Arkansas.

In January 2012, OHIT began Phase I implementation of SHARE to facilitate communications (connections) among health care organizations in the state. In May 2012, OHIT received approval from the Office of the National Coordinator (ONC) to begin Phase II implementation of SHARE to deploy the health information exchange connections and functions to enable health care providers to exchange clinical record information through a secure and Health Insurance Portability and Accountability (HIPAA) of 1996 compliant system. Arkansas is the first state to receive approval to move from Phase I to Phase II.



Agency Commentary

The Office of Health Information Technology (OHIT) was legislatively authorized by Act 891 of 2011. The office is responsible for planning and implementing the State Health Alliance for Records Exchange (SHARE), Arkansas's health information exchange and for coordinating health information technology activities and funding throughout the state. Through the use of SHARE, individuals, health care providers and health organizations can electronically share health-related information throughout Arkansas. Along with providing a secure messaging system for point-to-point communication between healthcare providers, OHIT will launch the health information exchange in the fall of 2012.

OHIT is currently funded by the Office of the National Coordinator for HIT (ONC) through the State Health Information Exchange Cooperative Agreement Program. The cooperative agreement funding ends in FY14. OHIT has established a fee structure for participants in SHARE as authorized in A.C.A. § 25-42-101 et seq. The Office is authorized also to form a nonprofit corporation to be known as the State Health Alliance for Records Exchange.

Due to the ending of the Cooperative Agreement in FY14, the agency requests a change level reduction of \$6,255,080 in FY14 and a change level reduction \$7,116,430 in FY15. Correspondingly, the agency requests a change level of zero in FY14 and \$62,531 in FY15 for the OHIT State appropriation.

As part of the change level, the agency requests transfer of the eleven (11) Regular Salary positions from the OHIT federal appropriation to the OHIT State appropriation. The effect of this transfer is reduction and corresponding increase in Regular Salaries and Personal Services Matching of \$846,530. The agency also requests a new OHIT Compliance Attorney position, Grade N906 for an increase of \$101,361 in Regular Salaries and Personal Services Matching for the State appropriation. The Compliance Attorney is needed due to the responsibilities required by the Health Insurance Portability and Accountability Act (HIPAA), as amended by the Health Information Technology and Economic Clinical Health Act (HITECH), and requirements established by SHARE. Currently this is managed through an interagency agreement with the Department of Human Services for a HIPAA Compliance Officer. Due to the statewide implementation of SHARE, which will include several thousand health care providers and organizations, this position will be responsible for the development and implementation of policies and procedures for all statutory and regulatory compliance and enforcement activities. Failure of SHARE to operate in compliance with HIPAA, HITECH, and other federal and state privacy and security requirements could potentially result in large financial penalties for the State. Additionally, if healthcare providers, organizations, patients, and other health care entities do not have confidence that SHARE is highly secure and privacy compliant for the exchange of clinical information, SHARE will not be trusted or used. The agency also requests a change reduction in FY14 of \$5,408,550 and \$6,269,900 in FY15 to reflect the expiration of the Cooperative Agreement in FY14.

The agency requests a change level reduction of \$947,891 in the OHIT State appropriation in FY14 to offset the position transfer and new position request. The agency requests a change level reduction of \$885,360 in FY15 as a partial offset to the position transfer and new position request.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
OFFICE OF HEALTH INFORMATION TECHNOLOGY
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

This agency was established by Act 891 of 2011 which authorized operations beginning in FY13; therefore, there has been no audit performed as of this time.

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	4	2	6	86 %
Black Employees	0	1	1	14 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			1	14 %
Total Employees			7	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
N/A	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
F04 OHIT-State Match	0	0	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000	12	5,974,184	12	6,000,000	0	6,062,531	12	6,036,975	12
F05 OHIT Federal	0	0	7,220,467	11	7,322,136	11	7,116,430	11	861,350	0	861,350	0	7,116,430	11	0	0	0	0
Total	0	0	13,220,467	11	13,322,136	11	13,116,430	11	6,861,350	12	6,835,534	12	13,116,430	11	6,062,531	12	6,036,975	12

Funding Sources		%		%			%		%		%		%		%		%
Fund Balance 4000005	0	0.0	528,435	3.8		528,435	6.5	528,435	6.5	528,435	6.5	1,218,185	14.8	1,218,185	14.8	1,244,001	15.1
Federal Revenue 4000020	0	0.0	7,220,467	52.5		861,350	10.7	861,350	10.7	861,350	10.7	0	0.0	0	0.0	0	0.0
Special Revenue 4000030	0	0.0	6,000,000	43.6		6,689,750	82.8	6,689,750	82.8	6,689,750	82.8	6,994,655	85.2	6,994,655	85.2	6,994,655	84.9
Total Funds	0	0.0	13,748,902	100.0		8,079,535	100.0	8,079,535	100.0	8,079,535	100.0	8,212,840	100.0	8,212,840	100.0	8,238,656	100.0
Excess Appropriation/(Funding)	0		(528,435)			5,036,895		(1,218,185)		(1,244,001)		4,903,590		(2,150,309)		(2,201,681)	
Grand Total	0		13,220,467			13,116,430		6,861,350		6,835,534		13,116,430		6,062,531		6,036,975	

Fund Balance variance due to excess appropriation in F05 OHIT Federal.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	11	7	4	11	0	36.36 %

Agency established in FY13.

Analysis of Budget Request

Appropriation: F04 - OHIT-State Match

Funding Sources: MHI - Health Information Technology Fund

This appropriation was created as a requirement of the Cooperative Agreement for a state match and sustainability of the health information exchange after the end of the federal funding period.

The appropriation is funded by the Health Information Technology Fund for use by the Office of Health Information Technology (OHIT) for operating expenses of the Office of Health Information Technology and the State Alliance for Records Exchange (SHARE). Funds include fees or charges for use of the exchange, funds transferred from the General Improvement Fund or other funds, gifts, bequests, foundations grants and gifts, Governor's or other emergency funds, federal grants and matching funds, proceeds from bond issues, interagency transfer of funds, and other funds that may be appropriated by the General Assembly.

The Agency requests a net Change Level of \$0 in FY14 and \$62,531 is requested for FY15:

- The increase for both FY14 and FY15 includes transfer of eleven (11) positions from the federal appropriation and a new OHIT Compliance Attorney Grade N906 position for a Regular Salaries and Personal Services Matching total of \$947,891.
- For FY14 the agency requests a offsetting reduction of \$947,891 in the State Health Information Exchange, Personal Services, Operating Expense, Match, and Grants line item.
- For FY15 the agency requests a partial offsetting reduction of \$885,360 in the State Health Information Exchange, Cooperative Personal Services, State Match, Operating Expenses Program Matching Grants line item.

The Executive Recommendation provides for the Agency Request with the exception of the new position, which is recommended as a Managing Attorney Grade C129.

Appropriation Summary

Appropriation: F04 - OHIT-State Match

Funding Sources: MHI - Health Information Technology Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	0	0	0	729,451	708,283	0	729,451	708,283
#Positions		0	0	0	0	12	12	0	12	12
Personal Services Matching	5010003	0	0	0	0	218,440	213,792	0	218,440	214,052
St Health Info Exch, Personal Se	5900046	0	6,000,000	6,000,000	6,000,000	5,052,109	5,052,109	6,000,000	5,114,640	5,114,640
Total		0	6,000,000	6,000,000	6,000,000	6,000,000	5,974,184	6,000,000	6,062,531	6,036,975
Funding Sources										
Fund Balance	4000005	0	528,435		528,435	528,435	528,435	1,218,185	1,218,185	1,244,001
Special Revenue	4000030	0	6,000,000		6,689,750	6,689,750	6,689,750	6,994,655	6,994,655	6,994,655
Total Funding		0	6,528,435		7,218,185	7,218,185	7,218,185	8,212,840	8,212,840	8,238,656
Excess Appropriation/(Funding)		0	(528,435)		(1,218,185)	(1,218,185)	(1,244,001)	(2,212,840)	(2,150,309)	(2,201,681)
Grand Total		0	6,000,000		6,000,000	6,000,000	5,974,184	6,000,000	6,062,531	6,036,975

Change Level by Appropriation

Appropriation: F04 - OHIT-State Match
Funding Sources: MHI - Health Information Technology Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	6,000,000	0	6,000,000	100.0	6,000,000	0	6,000,000	100.0
C01	Existing Program	101,361	1	6,101,361	101.7	101,361	1	6,101,361	101.7
C03	Discontinue Program	(947,891)	0	5,153,470	85.9	(885,360)	0	5,216,001	86.9
C07	Agency Transfer	846,530	11	6,000,000	100.0	846,530	11	6,062,531	101.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	6,000,000	0	6,000,000	100.0	6,000,000	0	6,000,000	100.0
C01	Existing Program	75,545	1	6,075,545	101.3	75,545	1	6,075,545	101.3
C03	Discontinue Program	(947,891)	0	5,127,654	85.5	(885,360)	0	5,190,185	86.5
C07	Agency Transfer	846,530	11	5,974,184	99.6	846,790	11	6,036,975	100.6

Justification

C01	The agency requests a change level of \$101,361 in Regular Salaries and Personal Services Matching for an Office of Health Information Technology (OHIT) Compliance Attorney, Grade N906. In the past, OHIT has managed the responsibilities required by the Health Insurance Portability and Accountability Act (HIPAA) as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act), and the requirements established under the State Health Alliance for Records Exchange (SHARE) through an interagency agreement with the Department of Human Services for a HIPAA Compliance Officer. Due to the statewide implementation of SHARE, which will include several thousand health care providers and organizations, this position will have the responsibility for development and implementation of policies and procedures for all statutory and regulatory compliance and enforcement activities. Failure of SHARE to operate in compliance with HIPAA, HITECH and other federal and state privacy and security requirements could result in the potential for large financial penalties for the State. Additionally, if healthcare providers, organizations, patients, and other health care entities do not have confidence that SHARE is a highly secure and privacy compliant environment for the exchange of clinical information, SHARE will not be used or trusted.
C03	The agency requests a change level reduction of \$947,891 in FY14 and \$885,360 in FY15 to offset the new position and positions transferred in FY14 and as a partial offset in FY15.
C07	The agency requests a transfer of eleven (11) positions, which totals \$846,350 in Regular Salaries and Personal Services Matching for each year of the biennium, to the State appropriation to reflect that the Cooperative Agreement with the Office of the National Coordinator for Health Information Technology, US Department of Health and Human Services, ends in FY14. Beginning in FY15 the Office of Health Information Technology will be funded solely through the State appropriation.

Analysis of Budget Request

Appropriation: F05 - OHIT Federal

Funding Sources: FHT - OHIT Federal Program

The Office of Health Information Technology (OHIT) was established through a Miscellaneous Federal Grant authorized by the American Recovery & Reinvestment Act (ARRA) of 2009, which included the Health Information Technology for Economic & Clinical Health Act (HITECH) of 2009. HITECH authorized grants to promote health information technology as part of the overhaul of the healthcare system. OHIT was created to promote a health information exchange for information sharing among health care providers.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay increases.

The Agency requests a Change Level reduction of \$6,255,080 in FY14 and \$7,116,430 in FY15 and is reflective of the Cooperative Agreement with the Office of the National Coordinator for Health Information Technology, US Department of Health & Human Services which ends in FY14.

Beginning in FY15 OHIT will be funded solely through fees and charges for use of the exchange.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: F05 - OHIT Federal
Funding Sources: FHT - OHIT Federal Program

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	0	656,073	726,898	650,369	0	0	650,369	0	0
#Positions		0	11	11	11	0	0	11	0	0
Personal Services Matching	5010003	0	194,494	225,338	196,161	0	0	196,161	0	0
Operating Expenses	5020002	0	500,000	500,000	500,000	325,000	325,000	500,000	0	0
Conference & Travel Expenses	5050009	0	25,000	25,000	25,000	4,225	4,225	25,000	0	0
Professional Fees	5060010	0	100,000	100,000	100,000	25,000	25,000	100,000	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	100,000	100,000	0	0	0	0	0	0
HIT Expenses & Grants	5900046	0	5,644,900	5,644,900	5,644,900	507,125	507,125	5,644,900	0	0
Total		0	7,220,467	7,322,136	7,116,430	861,350	861,350	7,116,430	0	0
Funding Sources										
Federal Revenue	4000020	0	7,220,467		861,350	861,350	861,350	0	0	0
Total Funding		0	7,220,467		861,350	861,350	861,350	0	0	0
Excess Appropriation/(Funding)		0	0		6,255,080	0	0	7,116,430	0	0
Grand Total		0	7,220,467		7,116,430	861,350	861,350	7,116,430	0	0

Change Level by Appropriation

Appropriation: F05 - OHIT Federal
Funding Sources: FHT - OHIT Federal Program

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	7,116,430	11	7,116,430	100.0	7,116,430	11	7,116,430	100.0
C03	Discontinue Program	(5,408,550)	0	1,707,880	24.0	(6,269,900)	0	846,530	11.9
C07	Agency Transfer	(846,530)	(11)	861,350	12.1	(846,530)	(11)	0	0.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	7,116,430	11	7,116,430	100.0	7,116,430	11	7,116,430	100.0
C03	Discontinue Program	(5,408,550)	0	1,707,880	24.0	(6,269,900)	0	846,530	11.9
C07	Agency Transfer	(846,530)	(11)	861,350	12.1	(846,530)	(11)	0	0.0

Justification

C03	The agency requests a change level reduction of \$5,408,550 in FY14 and \$6,269,900 in FY15 to reflect the Cooperative Agreement with the Office of the National Coordinator for Health Information Technology, US Department of Health and Human Services ends in FY14. Beginning in FY15 the Office of Health Information Technology will be funded solely through the State appropriation.
C07	The agency requests a transfer of eleven (11) positions, which totals \$846,530 in Regular Salaries and Personal Services Matching both years of the biennium, to the State appropriation to reflect that the Cooperative Agreement with the Office of the National Coordinator for Health Information Technology, US Department of Health and Human Services, ends in FY14.