



## States Getting Connected: State Policy-Makers Drive Improvements in Healthcare Quality and Safety Through IT

### Introduction

The federal government has demonstrated significant leadership in advancing the healthcare information technology (HIT) agenda to improve health and healthcare within the United States. However, the idiom that "*healthcare is local*" rings true. National efforts alone cannot drive improvements in the quality, safety and efficiency of America's healthcare through information technology. The state--as well as local efforts--play an enormously important role in transforming and improving the way that healthcare is delivered to patients in communities across the United States.

This month, the eHealth Initiative (eHI) takes a special look at how both state legislative activity and leadership demonstrated by United States governors are driving improvements in health and healthcare through HIT and health information exchange. This serves as a follow-up to eHI's July 2006 Issue Brief which highlighted state level findings from eHI's 2006 annual survey of state, regional and community-based collaborative initiatives and organizations. According to the July report, 35 states are either planning or implementing HIT-related efforts, with quality, safety and rising healthcare costs ranking highest as the primary drivers for state leadership around HIT. Go to <http://www.ehealthinitiative.org/assets/documents/eHI2006ReportonStateActivities.pdf> for a

Six key findings emerge from this month's report:

- 1. HIT State Legislative Activity Is on the Rise.** State legislatures are increasingly recognizing the importance of information technology in driving health and healthcare improvements, with 38 state legislatures having introduced 121 bills which specifically focus on HIT in 2005 and 2006. And states are not only introducing legislation; many bills are being signed into law. During 2005 and 2006, 36 bills were passed in 24 state legislatures and signed into law.
- 2. U.S. Governors Driving Change at the State Level.** As of this writing, ten executive orders were issued by U.S. governors across the nation calling for the development of strategies, plans and recommendations for using HIT and health information exchange to improve health and healthcare.
- 3. Primary Focus of State Policy Is on Creation of Commissions to Develop Recommendations and Plans for HIT.** Fifty-three bills emerging from 25 states during 2005 and 2006 call for the creation of bodies such as commissions, councils or task forces to conduct studies, recommend actions, and develop strategies and plans for improving healthcare through HIT. Nineteen of these bills passed in 14 states during this time period.
- 4. State-Driven Healthcare Reform Efforts Are Integrating HIT into Their Strategies: Increasingly, States are Building Quality into HIT Planning Activities.** Increasingly, state legislators are not only calling for the integration of quality goals into HIT-related plans and requirements for state-funded HIT initiatives and programs, they are building HIT into their state-driven health reform plans. During 2005 and 2006, 12 HIT-related bills introduced in nine states referenced quality specifically, with five such bills passing in four states.
- 5. Number of States Providing Funding Support Is Increasing.** Fifteen bills were introduced in 11 states which call for the incorporation of financing strategies, such as loan or grant programs, in the recommendations, strategies and plans authorized by the legislation, with seven bills in six states passing. Twenty-seven bills were introduced in 16 states during the same time period which call for the authorization or appropriation of funding for HIT or health information exchange-related activities. Eight such bills passed in seven states and became law.
- 6. Driving Change Through Target-Setting: States Calling for Action.** Three states have introduced legislation which set target dates for provider adoption of HIT within the state, two of which passed.

*State legislatures are increasingly recognizing the importance of information technology in driving health and healthcare improvements, with 38 state legislatures having introduced 121 bills which specifically focus on HIT in 2005 and 2006. And states are not only introducing legislation, many bills are being signed into law. In 2005 and 2006, 36 bills were passed in 24 state legislatures and signed into law.*

**Focus of HIT State Legislative Action**

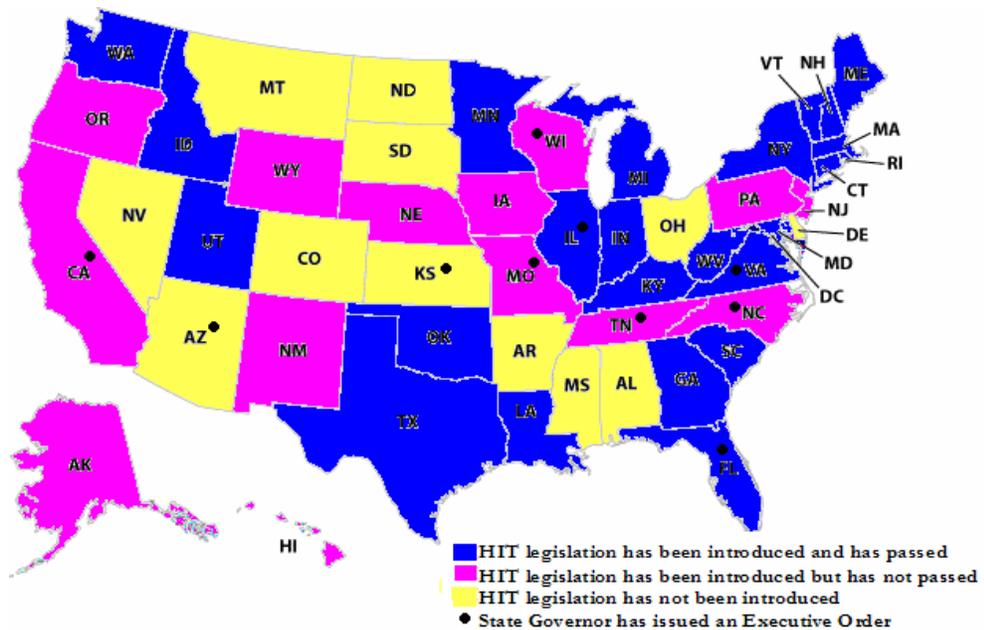
- *The authorization of a commission, committee, council or task force to develop recommendations*
- *The development of a study, set of recommendations, or a plan for HIT*
- *The integration of quality goals within HIT-related activities; or*
- *The authorization of a grant or loan program designed to support HIT*

**State Legislative Activity Related to HIT Is on the Rise**

State legislators are increasingly recognizing the role of HIT in addressing healthcare challenges, with 121 bills introduced in 38 states since 2005--64 of which were introduced in the first seven months of 2006. And states are not only introducing legislation, many bills are being signed into law. Thirty six bills in 24 states were passed in the legislature and signed into law.

HIT-related state legislative activity since 2005 has focused on a wide range of issues, including the authorization of a commission, committee, council or task force to provide leadership and/or recommendations for state-wide activity; the development of a study, set of recommendations, or a plan to drive HIT adoption within the state; the integration of quality goals within HIT-related activities; or the authorization of a grant or loan program designed to support HIT adoption or electronic reporting of information. Go to eHI's web site <http://ccbh.ehealthinitiative.org/communities/community.aspx?Section=288> for a detailed overview of all HIT-related legislation passed by the states.

**State Legislative Activity in 2005 and 2006-State by State Analysis**



**Governors Showing Leadership**

Ten executive orders were issued by U.S. governors across the nation calling for the development of strategies, plans and recommendations for using HIT and health information exchange to improve health and healthcare.

**U.S. Governors Driving Change at the State Level**

State legislatures are not the only policy-makers driving change in states. Governors across the nation are increasingly recognizing the value of HIT in addressing their healthcare goals and issuing executive orders to drive change. As of this writing, 10 U.S. governors have issued an executive order designed to drive improvements in health and healthcare through the use of IT.

**Analysis of Executive Orders Issued by State Governors**

State	Date Issued	Governor	Description
Arizona	30-Aug-05	Napolitano	Establishes a Steering Committee for the Arizona Health e-Connection and calls for the formation of several task groups to develop the Arizona Health-e Connection Roadmap for the development of an e-health information infrastructure in Arizona.
California	24-Jul-06	Schwarzenegger	Requires the secretaries of the Health and Human Services Agency and Business, Transportation and Housing Agency and the State Chief Information Officer to convene a California eHealth Action Forum to develop a comprehensive state policy agenda for HIT and present an action plan within 60 days after the forum that outlines how the state will implement a comprehensive HIT program by July 1, 2007.
Florida	4-May-04	Bush	Establishes the Governor's Health Information Infrastructure Advisory Board to advise and support the Agency for Health Care Administration in the development and implementation of a strategy for the adoption and use of electronic health records and the implementation of a Florida health information infrastructure.
Illinois	13-Jul-06	Blagojevich	Creates the Division of Patient Safety within the Department of Public Health to among other things, encourage all medical providers to utilize e-prescribing programs by 2011.
Kansas	14-Dec-04	Sebelius	Creates the Governor's Commission on Healthcare Cost Containment to make recommendations on solutions to reduce health care administrative processes that increase costs without improving patient care and assist in the development and implementation of strategies for more efficient and effective uses of health related information.
Missouri	17-Jan-06	Blunt	Establishes the Missouri Healthcare Information Technology Task Force to submit a final report to the governor by Sept. 1, 2006, which shall address the current status of HIT adoption in Missouri; barriers to the adoption of HIT in the state; the cost of using HIT in the state; and best practices for promoting the adoption of interoperable HIT in Missouri.
North Carolina	1-Jul-94	Hunt	Establishes the North Carolina Health Care Information and Communications Alliance to foster the development and implementation of a statewide health care information system. The Alliance shall develop and adopt a six-year work plan, to be updated as necessary but no less than every two years.
Tennessee	6-Apr-06	Bredesen	Establishes the Governor's eHealth Advisory Council to advise and support the State of Tennessee as it develops and implements an overall strategy for the adoption and use of electronic medical records and creates a plan to promote their use by all healthcare stakeholders.
Virginia	20-Jul-06	Kaine	Establishes the Governor's Health Information Technology Council which shall submit a report to the Governor by Dec. 1, 2006 recommending amendments to the state budget that will spur the development, implementation, and ongoing use of Virginia's HIT infrastructure.
Wisconsin	2-Nov-05	Doyle	Establishes the eHealth Care Quality and Patient Safety Board to review and make recommendations on issues surrounding the creation of an ehealth information infrastructure in Wisconsin to develop guidance for the users of such infrastructure. The Board shall submit an action plan to achieve the automation of all health care systems by 2010.

***Policy Makers  
Authorize  
Commissions to  
Develop Plans for  
Change***

- *Fifty-three bills were introduced in 2005 and 2006 in 25 states, and 19 bills passed in 14 states, calling for the creation of a commission, committee, council or task force to provide leadership or recommendations on HIT and/or health information exchange.*
- *Fifty-three bills were introduced in 2005 and 2006 in 24 states, and 21 bills passed in 15 states, calling for a study, set of recommendations, strategies or a plan for HIT adoption and/or health*

**Primary Focus of State Policy Makers Is Creation of Commissions to Develop Recommendations and Plans for HIT**

Engaging stakeholders from across the healthcare spectrum in planning activities related to the mobilization of information electronically to improve patient care is one of the first steps towards driving healthcare transformation in any state or region. Over the last two years, there has been a considerable increase in the amount of activity at the state and local levels designed to improve the quality, safety and efficiency of healthcare through HIT.

eHI's recently released results from its survey of state-level activities related to HIT and health information exchange indicate that 28 states have either initiated or are well underway with HIT planning processes, and an additional seven states have completed their plans and are in the process of implementation.

As noted above, 10 U.S. governors have issued executive orders to spur the adoption of HIT to improve healthcare quality, safety and efficiency in their states. Nine out of 10 of those executive orders call for a commission, committee, council or task force, and the development of a set of recommendations, strategies or a plan for HIT adoption in their states.

In summary:

- Fifty-three bills were introduced in 2005 and 2006 in 25 states, and 19 bills passed in 14 states, calling for the creation of a commission, committee, council or task force to provide leadership or recommendations on HIT and/or health information exchange.
- Fifty-three bills were introduced in 2005 and 2006 in 24 states, and 21 bills passed in 15 states, calling for a study, set of recommendations, strategies or a plan for HIT adoption and/or health information exchange.

Review of state legislation passed in 2005 and 2006 reveals that such bodies are typically appointed by the state legislature, the governor or the state department of health. Six of the 19 bills passed in 2005 and 2006 require that the state legislature appoint the members of the body, while six call for appointment by the governor and seven call for appointment by the state's department of health.

Legislative language for the most part, is also fairly prescriptive regarding the make-up of the commission, committee, council or task force, with 14 of the 19 bills passed including language regarding the types of stakeholders that should be represented. In general, legislation calls for each commission or other body to represent both the public and private sectors and have expertise in healthcare and information technology. The stakeholder groups which are often required to be represented include clinicians, consumers, employers, health plans, hospitals and other providers, information technology specialists, pharmacies, public health, and other public sector representatives within the state.

Duties and responsibilities for such bodies that are most often included in legislation are:

- Gathering information about ongoing local, regional, or statewide efforts to utilize electronic health records and develop health information exchanges;
- Determining the extent to which HIT is currently utilized throughout the state;
- Determining how HIT can effectively be deployed in the future throughout the state;
- Obtaining expert advice and information regarding the establishment of health information networks to facilitate the communication of patient clinical information;
- Assuring privacy and confidentiality of patient information through the development and implementation of policies for information sharing;
- Investigating ways to coordinate health information exchange activities within the state.

### **State Policy Makers Providing Funding Support**

- *15 bills were introduced in 11 states in 2005 and 2006 which call for the incorporation of financing strategies, such as grant or loan programs, in the recommendations, strategies and plans authorized by the legislation. Seven bills in six states passed and were signed into law.*
- *27 bills were introduced in 16 states in 2005 and 2006 which either call for the authorization or appropriation of funding for HIT or health information exchange-related activities. Eight bills in seven states passed and were signed into law.*

Duties and responsibilities for such bodies that are most often included in legislation are:

- Exploring the costs associated with implementing HIT in the state;
- Assessing the value of HIT and health information exchange networks and developing sustainable business models for their deployment;
- Evaluating methods to leverage HIT and health information exchange capabilities to contribute to quality improvement activities; and
- Investigating ways to coordinate health information exchange activities within the state.

### **State –Driven Healthcare Reform Efforts Are Integrating into Their Strategies: States Now Building Quality into HIT Planning Activities**

Rising healthcare costs, the ever-increasing number of uninsured, and concerns about quality and safety are stimulating leadership in healthcare reform across the states. Several state leaders are responding by integrating HIT into their reform plans or integrating quality goals and objectives into their HIT-related planning efforts.

eHI's recently released results from its survey of state-level activities related to HIT and health information exchange indicate that concerns about quality, safety and rising healthcare costs rank high as the primary drivers for these efforts. Eighty-eight percent of state leaders from 49 states and the District of Columbia and Puerto Rico cite concerns about the quality in healthcare as a significant driver, while 54 percent cite rising healthcare costs as a significant driver.

All legislative language emerging from states include references to quality and/or safety as the primary driver for their efforts. Several health reform and quality plans authorized by legislation include references to HIT. In fact, six such bills introduced during 2005 and 2006 in four states include such references.

And, increasingly, state legislators are calling for the integration of quality goals into HIT-related plans and requirements for state-funded HIT initiatives and programs. During 2005 and 2006, 12 HIT-related bills introduced in nine states referenced quality specifically, while five such bills introduced in four states passed. Six bills introduced in five states required incorporation of quality goals into studies, recommendations, strategies or plans authorized by the legislation, while two such bills introduced in two states passed and were signed into law. In addition, two states both introduced and passed legislation specifically requiring health information networks to support quality measurement activities. Policy related to the integration of quality into HIT-related activities mirrors legislation passed by the U.S. Senate in 2005, *The Wired for Healthcare Quality Act* (S. 1418).

### **Number of States Providing Funding Support Is Increasing**

eHI's recently released results from its survey of state-level activities related to HIT and health information exchange indicate that 52 percent of state leaders view securing upfront funding as a significant challenge.

Recognizing that funding is needed to accelerate state, regional and local efforts, state legislatures are increasingly authorizing funding to support HIT and health information exchange-related efforts, with particular focus on providers and local health information exchange efforts. In fact, in 2005 and 2006, 15 bills were introduced in 11 states which call for the incorporation of financing strategies, such as grant or loan programs, in the recommendations, strategies and plans authorized by the legislation; seven bills in six states have passed.

In addition, 27 bills were introduced in 16 states in 2005 and 2006 which either call for the authorization or appropriation of funding for HIT or health information exchange-related activities. Eight bills in seven states passed into law.

*Strong collaboration is needed to drive improvement in the U.S. healthcare system. Federal leadership should continue to work with the private sector to drive standards for interoperability at the national level and create adequate funding mechanisms to support rapidly emerging state and local collaborative efforts focused on building an information infrastructure for improving the quality of healthcare.*

*State and local leadership is also needed to engage the many stakeholders in healthcare at the community level--to find common ground and take the bold actions necessary to both develop and implement the foundational information infrastructure required--both within care delivery sites and across markets--to securely get critical health information to where it is needed, when it is needed, to support high quality, efficient patient-centered care.*

## Driving Change Through Target-Setting: State Calling for Action

In 2004, President George W. Bush called for every American to have an electronic health record within 10 years; some states are issuing similar calls for action. Three states have introduced legislation actually setting a target date for the statewide implementation of HIT, two of which have passed. HF 139, which became law in Minnesota in 2005, calls for a statewide plan for all hospitals and physician group practices to have in place interoperable electronic health records by Jan. 1, 2015 and HB 2573, which became law in Washington state in 2006, encourages all hospitals in the state to adopt HIT by the year 2012. Additionally, HF 2637 is under consideration in the Iowa state legislature, which specifies five dates between Dec. 31, 2007 and Dec. 31, 2009 for electronic health records to be implemented in specified populations and facilities across the state.

## Conclusion

Policy makers at the state level, including state legislators and governors, are increasingly recognizing the value and importance of HIT in addressing health and healthcare goals. This recognition is now translating into action, with a majority of states in the country now introducing HIT-related legislation and nearly half of the states passing such legislation. One fifth of U.S. governors have issued an executive order calling for state action on improving health and healthcare through HIT and this number is likely to grow over the coming months.

Based on our experience in the field, eHI expects this trend to continue as the healthcare field continues to move forward on strategies designed to improve healthcare quality and safety and to curb rising costs in the healthcare system. Both transformation of the physician practice and connectivity among disparate sources of information within markets across the country that are used to support and improve patient care are necessary foundational components to address our nation's increasing healthcare challenges.

Strong collaboration is needed to drive improvement in the U.S. healthcare system. Federal leadership should continue to work with the private sector to drive standards for interoperability at the national level and create adequate funding mechanisms to support rapidly emerging state and local collaborative efforts focused on building an information infrastructure for improving the quality of healthcare. Bridges must continue to be built between national activities and state and local efforts to assure interoperability and some coherence in policies related to information sharing.

State and local leadership is also needed to engage the many stakeholders in healthcare at the community level--to find common ground and take the bold actions necessary to both develop and implement the foundational information infrastructure required--both within care delivery sites and across markets--to securely get critical health information to where it is needed, when it is needed, to support high quality, efficient patient-centered care.

eHI will continue in its efforts to drive consensus among multiple stakeholders and experts in healthcare on common principles, policies and best practices for driving healthcare improvement through information mobilization. eHI will also continue to widely disseminate the results of these efforts to its many state partners, and to its rapidly growing coalition of more than 280 state, regional and community-based collaboratives who are driving healthcare transformation in their own markets.

*The eHealth Initiative and its Foundation are independent, non-profit affiliated organizations whose missions are the same: to drive improvements in the quality, safety, and efficiency of healthcare through information and information technology.*

*The eHealth Initiative Foundation has provided direct support to 21 state-level initiatives that are convening public and private sector leaders to develop roadmaps and plans for driving healthcare transformation through HIT and health information exchange.*

## Contributors

Contributing Authors: Ticia Gerber, Kristina Holbrook, Janet Marchibroda, Emily Welebob  
Design and Production: Rachel Hoeft  
Special Thanks to Davis, Wright, Tremaine, LLP Who Conducted State Legislative Tracking Services for the eHealth Initiative to Support This Report

---

## About eHealth Initiative

The eHealth Initiative and its Foundation are independent, non-profit affiliated organizations whose missions are the same: to drive improvements in the quality, safety, and efficiency of healthcare through information and information technology.

eHI engages multiple stakeholders, including clinicians, consumer and patient groups, employers, health plans, healthcare IT suppliers, hospitals and other providers, laboratories, pharmaceutical and medical device manufacturers, pharmacies, public health, and public sector agencies, as well as its growing coalition of more than 280 state, regional and community-based collaboratives focused on improving healthcare by mobilizing health information electronically, to develop and disseminate common principles, policies and best practices for improving the quality, safety and effectiveness of America's healthcare through information and information technology.



eHealth Initiative and Foundation

818 Connecticut Avenue, N.W., Suite 500

Washington, D.C. 20006

Phone: 202.624.3270

URL: [www.ehealthinitiative.org](http://www.ehealthinitiative.org)

Copyright ©2006 eHealth Initiative and Foundation