



8. Identify the primary individual(s) who is knowledgeable about this request, who will conduct and manage this process and has completed mandatory training. ( Type over "example" and delete cells not used)

Name of Department Personnel	Division/Agency	Phone Number	e-mail address
Kenneth Fink	MQD	692-8050	kfink@medicaid.dhs.state.hi.us
Randy Chau	MQD/SO	692-7951	rchau@medicaid.dhs.state.hi.us
Dona Jean Watanabe	MQD/FO	692-7973	dwatanabe@medicaid.dhs.state.hi.us

9. The department shall ensure adherence to applicable administrative and statutory requirements, and all requirements, approvals, and internal controls for this request are the responsibility of the department.

*I certify that the information provided above is, to the best of my knowledge, true and correct.*

*Pauloj Brantol*

*01/11/12*

Department Head Signature

Date

**For Chief Procurement Officer Use Only**

Date Notice Posted

*1-12-12*

Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from date notice posted to:

Chief Procurement Officer  
 State Procurement Office P.O.  
 Box 119 Honolulu, Hawaii  
 96810-0119

10. Chief Procurement Officer (CPO) Comments:

The department has requested to withdraw this request as they will utilize the appropriate method of procurement pursuant to HRS Chapter 103D.

Approved     Disapproved     No Action Required

*Pauloj Brantol*    *1/24/2012*  
 Chief Procurement Officer Signature    Date

1. Describe the goods, services or construction

The service required is the development of a State Health Information Technology Plan for the Medicaid program. The Hawaii Health Information Exchange (HHIE), also referred to here as the "vendor," will provide special information, oversight, and support to draft the plan. The federal Centers for Medicare and Medicaid (CMS) services will be involved to approve the State's agreement with HHIE and its work products.

Elements of the State Medicaid Health Information Technology Plan (SMHP) include describing the current health information technology (HIT) landscape in Hawaii, including the involvement of critical stakeholders; describing the HIT landscape we seek to develop, creating an implementation plan for providing and accounting for incentives for clinician adoption of electronic health records; auditing the process for integrity and provider compliance; and describing how Medicaid HIT initiatives will coordinate with and strengthen complementary health transformation efforts in the state and private sectors.

The State is requesting the necessary planning services to be able to implement the Medicaid Electronic Health Record (EHR) incentive program. These services include the development of the State Medicaid Health Information Technology Plan (SMHP) and the implementation advanced planning document (IAPD). Attached is the State's May 2010 (Exhibit A) request to CMS for funds to carry out this plan and program and CMS's approval (Exhibit B-July 21, 2010).

The vendor will assist DHS in identifying and consulting stakeholders from across the State to develop a common vision of how the Medicaid EHR incentive program will operate in concert with larger health system and statewide efforts. This will set the context for the development of the SMHP that shall address: a current landscape assessment, vision of the State's HIT future, the specific actions necessary to implement and audit the incentive payments program, and a HIT roadmap that communicates to CMS how DHS will implement the SMHP and meet the provisions of ARRA Section 4201.

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:

The nonprofit Hawaii Health Information Exchange (HHIE) is funded by the federal Office of the National Coordinator for Health IT for the purposes of establishing technical solutions, policies, and procedures for HIT. HHIE also serves as the Hawaii-Pacific Regional Extension Center to support adoption of electronic health records by clinicians. It is appropriate for DHS to contract solely with HHIE to do this work because HHIE, which has unique expertise in this area, has been designated by action of the Governor to advise the state on HIT and promote its use for the public good. CMS, the federal funding source for the service being procured also encourages the State's partnership with HHIE in this manner.

Attached is a copy of the letter from Governor Linda Lingle (Exhibit C) to the Department of Health and Human Services National Coordinator for Health Information Technology that confers on the HHIE official state designation. Also attached is an Executive Order (Exhibit D) awaiting the Governor's signature that outlines in detail the State's expectations of the Hawaii Health Information Exchange as the state-designated entity. Finally, the HHIE is governed by a diverse group representing consumers, healthcare providers, health plans, and employers that ensures that the organization continues to meet its public obligations in accordance to the designation.

The vendor will outline strategies and activities that will ensure coordination and alignment with the various HIT plans, organizations, and initiatives across the state.

The Hawaii Health Information Exchange is uniquely situated to provide the planning services for implementation of the Medicaid EHR incentive program. HHIE is both the state designated entity for health information exchange and Hawaii's regional extension center to support electronic health record adoption among clinicians. They have developed a statewide HIT plan, which includes a current landscape assessment, and are responsible for assisting eligible providers with achieving meaningful use of HIT.

Development of the SMHP and IAPD dovetails with the work already completed by HHIE and must align with the future work for widespread meaningful use of HIT. HHIE is best qualified to provide the scope of services being sought in an efficient and effective manner given their previous and ongoing work as the state designated entity for HIE.

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:

The Hawaii Health Information Exchange (HHIE) is designated as the State's entity for health information technology and, as such, has unique expertise and standing to carry this work out expeditiously. Attached is a copy of the letter from Governor Linda Lingle to the Department of Health and Human Services National Coordinator for Health Information Technology that confers on the HHIE official state designation. Also attached is an Executive Order that outlines in detail the State's expectations of the Hawaii Health Information Exchange as the state-designated entity. Finally, the HHIE is governed by a diverse group representing consumers, healthcare providers, health plans, and employers.

Although other vendors may be able to complete the scope of services, DHS in consultation with the Health Care Transformation Coordinator from the Governor's Office and Center for Medicare/Medicaid Services (CMS), who is the primary funding agency, is in agreement and believes that due to the coordination and alignment of the two plans as stated in #6 it would make the process more feasible and efficient to receive an exemption of these services.

EXHIBIT A

LINDA LINGLE  
GOVERNOR



LILLIAN B. KOLLER, ESQ.  
DIRECTOR

HENRY OLIVA  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
Med-QUEST Division  
Administration  
P. O. Box 700190  
Kapolei, Hawaii 96709-0190

May 28, 2010

Gloria Nagle, Ph.D., M.P.A.  
Associate Regional Administrator  
Department of Health and Human Services  
Centers for Medicare and Medicaid Services, Region IX  
Division of Medicaid and Children's Health Operations  
90 7<sup>th</sup> Street, Suite 5-300 (5W)  
San Francisco, California 94103-6706

Dear Dr. Nagle:

The Hawaii Department of Human Services, Med-QUEST Division (DHS/MQD) submits this Health Information Technology Planning - Advanced Planning Document (HIT P-APD) to request enhanced federal financial participation for the development of the State Medicaid Health Information Technology Plan (SMHP) and to represent Medicaid interests in the development of the State of Hawaii's HIT/HIE Plan.

The SMHP will address the initial planning activities related to establishing a program for payments to providers who adopt and become meaningful users of electronic health records (EHR), as described in State Medicaid Director Letter #09-006.

The enclosed HIT P-APD requests \$929,000.00 in total computable costs at 90 percent federal financial participation. If you have any questions, please contact Mr. Randy Chau, Systems Officer, at (808) 692-7951.

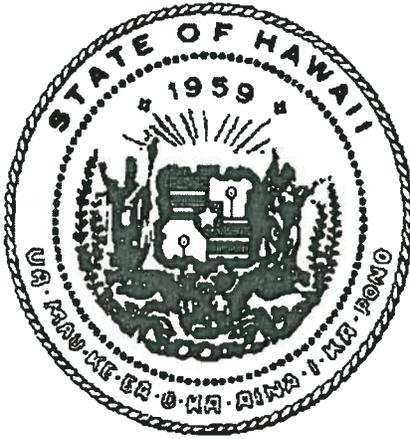
Sincerely,

A handwritten signature in black ink, appearing to read "Ken Fink".

Kenneth S. Fink, MD, MGA, MPH  
Med-QUEST Division Administrator

Enclosure

c: Jenny Chen, CMS  
Randy Chau, DHS/MQD/SO  
Jon Fujii, DHS/MQD/HCSB



STATE OF HAWAII  
Department of Human Services  
Med-QUEST Division

**Health Information Technology  
Planning – Advanced Planning Document**

May 28, 2010

PE 12-063D

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## **I. Statement of Need and Objectives**

The purpose of this Planning-Advance Planning Document (P-APD) is to describe the Hawaii Department of Human Services, Med-QUEST Division's (DHS-MQD) planning activities for the development of a State Medicaid Health Information Technology Plan (SMHP) for Hawaii. The SMHP will serve as the strategic vision to enable the DHS-MQD to achieve its future vision by moving from the current "As-Is" HIT landscape to the desired "To-Be" HIT Landscape, including a comprehensive HIT Road Map and strategic plan over the next 5 years. The plan will also describe the processes, procedures and resources required to implement and oversee the incentive payments to eligible Hawaii Medicaid providers for the meaningful use of certified electronic health records (EHR).

### **Current HIE/HIT Initiatives in Hawaii**

Although there is a strong interest in Health Information Exchange (HIE) in Hawaii, the state does not yet have a comprehensive health information exchange plan in place. Despite independent initiatives in telemedicine and initial efforts in electronic health record implementation, very little electronic health data are exchanged in Hawaii. Healthcare in Hawaii remains a situation of independent e-health activities and efforts. This has resulted in a lack of coordination among providers (even for those that do have EHRs), duplication of effort, and an overall immature and fragmented HIT landscape.

The Hawaii Health Information Exchange (HHIE) a 501(c)(3) non-profit, was established in 2006 by leading healthcare stakeholders in Hawaii for the purpose of improving healthcare delivery throughout the State through seamless, effective, and safe health information exchange. In September of 2009, HHIE was designated by the State to develop and implement a statewide health information exchange that will ultimately feed into the national health information network. In February 2010, the HHIE received a Department of Health and Human Services (DHHS) Office of the National Coordinator's Recovery Act, Section 3013 grant to facilitate health information exchange (HIE) at the state level. Furthermore, in April 2010, the HHIE was awarded one of the Recovery Act, Section 3012, Health Information Technology Extension Program's Regional Extension Center (REC) grants for the provision of technical assistance, guidance, and information to support and accelerate health care providers' efforts to become meaningful users of EHRs.

HHIE has a strong and representative composition of Board stakeholders who are determined to transform the current situation into one that coordinates care, reduces costs (for patients and providers), and improves quality of care. Since 2006, these people and organizations are committed to seeing a statewide HIE become a reality in Hawaii. It is the goal of the HHIE to make the most of the opportunities afforded by the American Reinvestment and Recovery Act of 2009 to help Hawaii expedite its long-term HIE goals over the next five years.

Hawaii Medicaid plans to be involved in the activities of the following HHIE work groups:

### **Finance**

The domain of this committee encompasses the identification and management of financial resources necessary to fund health information exchange, including securing public and private financing for building HIE capacity and sustainability.

This also includes but is not limited to pricing strategies, market research, public and private financing strategies, financial reporting, business planning, audits, and controls.

### **Governance**

This committee is tasked with convening health care stakeholders to create trust and consensus on an approach for statewide HIE and to provide transparency, oversight and accountability of HIE to protect the public interest. One of the primary purposes of a governance entity is to develop and maintain a multi-stakeholder process to ensure HIE among providers is in compliance with applicable policies and laws.

### **Data Access and Management**

This committee's area is to primarily set and administer rules and user agreements around the practices of accessing, sharing and using of patient health data that are originated from the HIE infrastructure. These rules and agreements will align with the high level privacy and security policies established by the Legal/Policy committee. Data Access and Management committee will also set the prerequisites on data accessibility, availability and privacy that the Technical Infrastructure committee incorporates into the HIE technical design. As part of operations, the Data Access and Management domain will administer requests for data access and monitor and audit data exchanged via the HIE infrastructure.

### **Business and Technical Operations**

The activities of this committee include but are not limited to procurement, identifying requirements, process design, functionality development, project management, help desk, systems maintenance, change control, program evaluation and reporting. Some of these activities and processes are the responsibility of the entity or entities that are implementing the technical services needed for health information exchange, there may be different models for distributing operational responsibilities.

### **Legal/Policy**

This committee is tasked with addressing the legal and policy barriers and enablers related to the electronic use and exchange of health information. These mechanisms and structures include but are not limited to: policy frameworks, privacy and security requirements for system development and use, data sharing agreements, laws, regulations, and multi-state policy harmonization activities. The primary purpose of the legal/policy committee is to create a common set of rules to enable inter-organizational and eventually interstate health information exchange, while protecting consumer interests.

The DHS-MQD as the single state Medicaid agency was the recipient of two Medicaid Transformation Grants awarded under the Deficit Reduction Act of 2005. The first grant created an open source EHR in an Application Service Provider (ASP) environment for clinics serving large Medicaid populations. The second grant established the infrastructure and protocols for the electronic submission of Early and Periodic Screening, Diagnostic and Treatment (EPSDT) information from providers. These HIT projects will be included in the environmental assessment of the Hawaii SMHP.

As an active participant in the HHIE, it is MQD's intention that the Hawaii SMHP will align and be integrated with the statewide Hawaii HIT plan being developed by HHIE for the Office of the National Coordinator. This coordination would include: support provider adoption, including technical assistance and provider incentives; leverage the availability of clinical data for administrative efficiencies; and quality reporting including population management for healthier Medicaid members and Hawaii residents.

## **II. Project Management Plan**

### **Scope of Activities**

#### **Project Planning and Management**

- Submission of P-APD to CMS
- Identify key stakeholders
- Develop detailed project plan and timeline
- Create project budget and expenditure plan
- Provide periodic status reports to the project steering committee.

#### **Environmental Scan ("As-Is")**

- Conduct provider survey in collaboration with the HHIE to better understand the barriers and utilization of EHRs in Hawaii.
- Identify which Medicaid providers are interested and eligible for the incentive payments.
- Create a methodology for verifying provider eligibility for ARRA incentives. Calculating the Medicaid members in relationship to overall patient case load to meet the appropriate thresholds as per the regulations.
- Understand barriers to applying for incentives, including but not limited to certification of existing EHR systems and gaps to becoming certified.
- Identify gaps of providers who are not eligible and understand needs and barriers to implementing EHR.
- Current usage of technology within Medicaid, understanding connection point availability and barriers for interaction with HIE.
- Coordinate Environmental Scan activities with Medicaid health plans.

**Deliverables:**

- Report of survey provider results to be used for input into goals and objectives for the SMHP.
- Report of potential volume for Medicaid Incentive Payment program. This information will be used as input for the planning of the Incentive Payment Program.
- Report of Hawaii Medicaid current use of health information technology.

**Vision (“To Be”)**

- Establish primary internal and external Hawaii Medicaid stakeholders
- Research smart practices and lessons learned from other HIT/HIE implementations.
- Facilitate the creation of a vision for Hawaii Medicaid HIT
- Draft and validate the vision with the stakeholders.

**Deliverable:**

- Hawaii Medicaid HIT Vision document.

**Create the Hawaii State Medicaid HIT Plan (SMHP)**

- Identify the key executive sponsors
- Create and receive approval from CMS for the Hawaii State Medicaid HIT Plan (SMHP). The plan must include all of the elements outlined in the State Medicaid HIT Plan document requirements from CMS.
- Facilitate stakeholder understanding and buy-in on the SMHP.
- Establish goals, objectives, owners and time frames.
- Evaluate current policy, procedures and system changes that will be made.
- The plan must include 1, 2 and 5 year visions and goals.
- Coordinate SMHP with statewide HIT/HIE Plan developed by the HHIE.
- Developing the plan will be an iterative process.

**Deliverables**

- Draft Hawaii State Medicaid HIT Plan
- Completed Hawaii State Medicaid HIT Plan for approval by CMS.

**Planning for Incentive Payment Administration**

- Definition of Meaningful Use for Hawaii Medicaid
- Determine how the incentive plan will be administered.
- Develop policies, procedures and identify personnel and technical resources required to administer program.
- Establish procedures and processes for coordination with other states and Medicare to prevent duplicative payments.
- Provider education on the availability of incentives
- Create a plan for monitoring meaningful use and audit of provider compliance.

**Deliverables:**

- Meaningful Use definition for Hawaii. This must identify how measures will be applied as part of the Incentive Payment Administration.
- Documentation of policies and procedures for Incentive Payment program implementation and operation.
- Project plan including scope definition, work break down, project schedule, project budget and resource allocation.
- Development and submission to CMS of Implementation Advance Planning Document (I-APD) to implement SMHP.

**HHIE Participation and Coordination**

- Participate in the Hawaii Health Information Exchange workgroups.
- Participate in conference calls and webinars with ONC, CMS and other work groups related to Medicaid HIT/HIE.
- Coordinate Medicaid HIT/HIE activities with HHIE

**Project Schedule**

Task	Start	End
Complete HIT P-APD for submission to CMS	May 1, 2010	May 31, 2010
CMS Approval of HIT P-PAPD		June 2010
Project Planning and Management	May 2010	Ongoing
Develop RFP for Development of SMHP	June 2010	August 2010
Recruit and Fill New staff positions, Project Manager, HIT/HIE Coordinator	July 2010	August 2010
Coordinate HIT/HIE Plan Activities with Hawaii Health Information Exchange	May 2010	Ongoing
Provider Outreach and Education coordinated with HHIE	June 2010	July 2010
Issue RFP for Development of SMHP	August 2010	September 2010
Award Contract for Development of SMHP	September 2010	
Conduct Environmental Scan "As-Is" HIT Vision	September 2010	October 2010
Draft SMHP <ul style="list-style-type: none"> <li>• "As-Is" Assessment</li> <li>• "To-Be" HIT Vision</li> <li>• Development of Provider Incentive Payment Program</li> </ul>	October 2010	December 2010
Finalize SMHP and submit to CMS	December 2010	January 2011
Draft HIT/HIE Implementation APD	January 2011	February 2011
Submit Implementation APD to CMS	February 2011	
Transition from Planning to Implementation Activities	March 2011	

## **Medicaid HIT/HIE Project Organization**

### **Personnel Resource Statement**

The following state staff have been identified as key staff members in the Hawaii Medicaid HIT/HIE project. These resources will work with the project management staff to develop the SMHP, participate in Multi-State collaborative efforts, research practices and lessons learned from other HIT/HIE implementations, and participate in the state wide HIE efforts.

### **Project Steering Committee**

Dr. Kenneth Fink, Med-QUEST Division Administrator, State Medicaid Director  
The executive sponsor of the project, providing executive project management and representation of the project to internal and external executive staff.

Randy Chau, Med-QUEST Division Systems Officer  
Overall project oversight and subject matter expertise on Medicaid Management Information System (MMIS) and other information technology requirements.

Jon Fujii, Med-QUEST Division Research Officer  
Overall project oversight and subject matter expertise on data usage and exchange requirements.

### **Project Planning Team**

The new positions described below will be added to the Medicaid Staff as part of the HIT Planning Project team. The staff will report to the Medicaid Director as outlined in the accompanying organizational chart. The Project Manager and HIE Business Analyst will also work closely with the Project Steering Committee, who will ensure that the project objectives and deliverables are being met.

The positions will be located with the Hawaii Medicaid staff. The actual position descriptions and pay classifications have not yet been finalized, therefore the budget reflects estimated salary. The time for these staff members will be 100% dedicated to the Medicaid HIT planning project. The State will submit an APD Update to CMS to reflect any changes in the number of positions, related costs, and/or allocation to the Medicaid HIT project versus non-Medicaid activities.

### **Hawaii Medicaid HIT Project Manager, responsibilities include:**

- Overall HIT/HIE project planning and coordination.
- Oversight and facilitation of the development of the SMHP.
- DHS-MQD liaison to the HHIE.
- Oversight of contracted resources for the project.

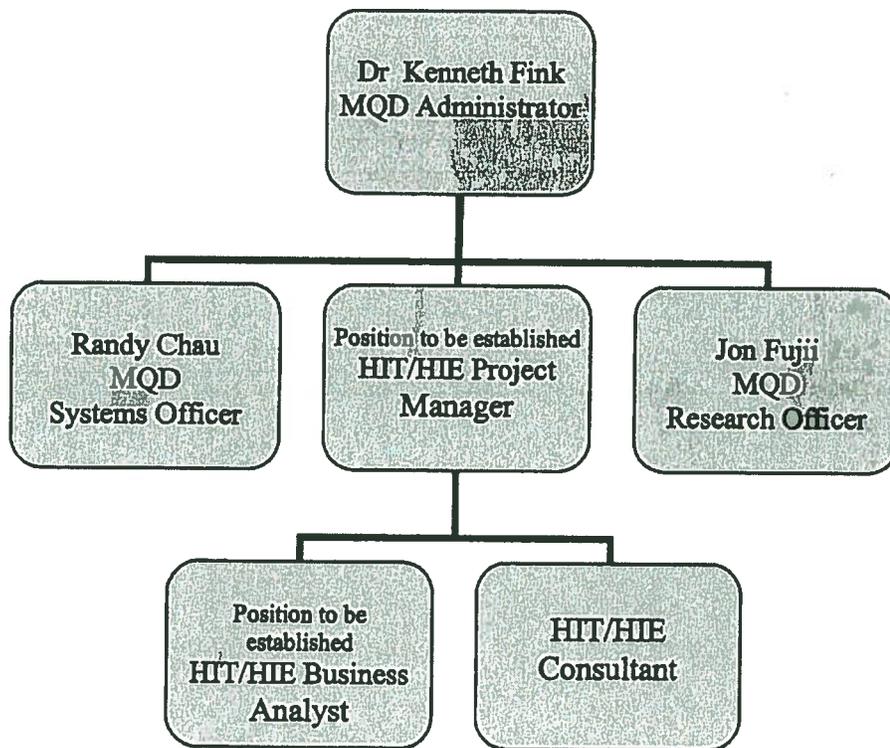
**HIT/HIE Business Analyst, responsibilities include:**

- Serve as subject matter expert in HIT and HIE
- Coordinate day to day project activities
- Participate in oversight of contractor resources developing SMHP
- Participate in HHIE workgroups and Multi-State collaborative efforts.

**Contractor Resources and Procurement Activities**

Given budget constraints and the workloads on current staff, DHS-MQD anticipates utilizing contractors for particular planning tasks that require subject matter expertise.

**DHS MQD HIT/HIE Project Organization**



### III. Proposed Project Budget

Description	Federal Share	State Share	Total
HIT Project Manager/Coordinator	\$85,500	\$9,500	\$95,000
HIT Business Analyst	\$58,500	\$6,500	\$65,000
Preparation of a Request for Proposal for vendor and consultant services for HIT and associated procurement activities	\$45,000	\$5,000	\$50,000
Contractor/Consultant Cost for Development of SMHP and other HIT/HIE Technical Assistance	\$562,500	\$62,500	\$625,000
Participation in the NASMD Multi-State Collaborative	\$7,200	800	\$8,000
Travel – for inter-state and intra-state HIT/HIE and MMIS conferences	\$32,400	\$3,600	\$36,000
Miscellaneous – e.g., publications, surveys, outreach training, and HIT/HIE staff training conferences and registration fees	\$45,000	\$5,000	\$50,000
<b>Total</b>	<b>\$836,100</b>	<b>\$92,900</b>	<b>\$929,000</b>

These proposed costs are 100 percent State Medicaid costs only. Non-Medicaid activities which are part of the HHIE statewide HIT/HIE efforts are funded by ONC grants separate from the SMHP project. However, MQD staff working on the SMHP project will be participating in the statewide planning effort, to coordinate efforts and ensure Medicaid interests are addressed.

Any single coordinated effort may be cost allocated, such as a coordinated environmental scan, which would be based on a methodology that shares costs appropriately between the ONC grants and the SMHP project. For example, a shared environmental scan could be allocated using a formula based on the proportion of Medicaid providers to the total provider population to be scanned.

#### IV. Assurances

The source of the State share for this request will be DHS-MQD State general funds, not through other sources (e.g., Intergovernmental Transfer Agreements, Certified Public Expenditures, or Provider Taxes). However, if the DHS-MQD pursues other funding for the State share, an updated P-PAPD will be submitted and CMS prior approval will be sought, as appropriate.

In addition, the DHS-MQD confirms that it will adhere to the provisions of the following Federal regulations:

#### CMS Required Assurances

<u>Procurement Standards</u>		
45 CFR Part 95.613	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
45 CFR Part 74	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
SMM Section 11267	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
SMD Letter of Dec. 4, 1995	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<u>Access to Records</u>		
45 CFR Part 95.615	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
SMM Section 11267	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<u>Software and Ownership Rights</u>		
45 CFR Part 95.617	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<u>Information Safeguarding</u>		
42 CFR Part 431.300	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<u>Progress Reports</u>		
SMM Section 11267	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<u>Security and Privacy</u>		
45 CFR Part 164	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

EXHIBIT B



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region IX  
Division of Medicaid & Children's Health Operations  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6706

JUL 21 2010

Dr. Kenneth Fink  
Administrator, MedQUEST Division  
Department of Human Services  
P.O. Box 700190  
Honolulu, HI 96709-0190

Dear Mr. Fink:

This is in response to the Hawaii Department of Human Services Med-QUEST Division's, May 28, 2010, letter requesting approval of a Planning Advance Planning Document (PAPD) for the State's planning, assessment, and analysis activities associated with implementing the health information technology (HIT) provisions under Section 4201 of the American Recovery and Reinvestment Act of 2009 (the Recovery Act). In accordance with guidance in the CMS State Medicaid Director Letter (SMDL) #09-006, published September 1, 2009, the State is requesting approval of funding in this PAPD to cover the development of the State's Medicaid HIT Plan (SMHP). This includes the Med-QUEST Division's plan for administering and overseeing Medicaid provider incentive payments for the adoption and meaningful use of certified electronic health record (EHR) technology. The SMHP will include specific, quantifiable, annual benchmarks for evaluating progress to achieve the DHCFP's "To-Be" HIT Vision over the next five years.

The Centers for Medicare & Medicaid Services (CMS) has reviewed your request and hereby approves this PAPD and total computable costs not to exceed \$929,000 at the 90% Federal financial participation (FFP) rate for a Federal total computable share of \$836,100. Hawaii may claim 90% FFP for the activities proposed under this PAPD prospectively from the date of this letter. Availability of 90% FFP for the Med-QUEST Division under Section 4201 of the Recovery Act is contingent upon successful fulfillment of the planning objectives presented in this PAPD. Thus, once developed, please submit the SMHP to CMS for review by CMS and the Office of the National Coordinator for Health Information Technology (ONC). Please also submit an Implementation Advance Planning Document (IAPD) that covers the activities in your SMHP.

Please note that, in this PAPD, we are only approving costs for activities that are directly associated with the planning and implementation of Section 4201 of the Recovery Act and Medicaid EHR Incentive Program. For instance, costs for State Medicaid agency participation in the National Association of State Medicaid Directors (NASMD) HIT/e-Health Multi-State Collaborative are an allowable administrative expense eligible for 90% FFP under Section 4201 of the Recovery Act. These particular activities are to be distinguished as separate and distinct

PE12-063D

from dues, travel, and other expenses, covered under 42 CFR 433.15 and 432.50, that are associated with participation in a broader array of activities that are not solely and directly related to implementing Section 4201 provisions. This means that the State Medicaid agency should be able to demonstrate, for instance, that its participation in the statewide HIT and Health Information Exchange (HIE) trainings and conferences, as covered in this PAPD, are directly related to implementing Section 4201 provisions.

Any change in the approved PAPD's project scope, duration, or cost will require CMS prior approval through the submission of a formal PAPD Update. This includes changes to the PAPD needed as a result of new regulations contained in the Final Rule, published by CMS on July 13, 2010, for implementing Section 4201 of the Recovery Act. This would also include any statewide HIT/HIE activities that the State Medicaid agency plans to participate in as part of a statewide coordinated effort, as well as a cost allocation plan for those activities.

We also understand that in this PAPD, the Med-QUEST Division intends to procure contractor resources to support your SMHP development efforts. Please submit any consultant services contracts associated with this project to CMS for prior-approval.

Finally, all costs identified in this PAPD are understood to be estimated costs only. Only actual costs that are incurred under this PAPD and contract, prospective from the date of this approval forward and that are allocable to Title XIX programs, are reimbursable. Allowable costs should be claimed in accordance with OMB Circular A-87 and prevailing cost principles, regulations, and law and must conform to administrative and statutory limitations. All activities and expenditures claimed by the State, as well as source of funds used, under this PAPD are subject to review and must be supported by readily reviewable documentation.

If your staff has questions about this approval, please have them contact Jenny Chen at (415) 744-3689. Financial claiming questions should be directed to Eddie Martin at (415) 744-3588 or Albert Tadakuma at (415) 744-3564.

Sincerely,



Gloria Nagle, Ph.D., MPA

Associate Regional Administrator

Division of Medicaid and Children's Health Operations

cc: Randy Chau, Systems Officer, Med-QUEST Division, DHS



EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

September 4, 2009

David Blumenthal MD, MPP  
National Coordinator for Health Information Technology  
Department of Health and Human Services  
200 Independence Avenue, S.W.

Dear Dr. Blumenthal,

The official State Designated Entity for the State Grants to Promote Health Information Technology Program, for the State of Hawaii is:

Name: Christine Mai`i Sakuda  
Title: President  
Agency: Hawaii Health Information Exchange  
State: Hawaii  
Address: c/o Hawai`i Primary Care Association  
345 Queen Street, Suite 601  
Honolulu, Hawai`i 96813  
Phone: (808) 791-7830  
Fax Number: (808) 524-0347  
Email: [csakuda@hawaiiipca.net](mailto:csakuda@hawaiiipca.net)

If you have any questions, please contact Pearl Imada Iboshi at 586-2470.

Sincerely,

A handwritten signature in cursive script, appearing to read "Linda Lingle".  
LINDA LINGLE

**EXHIBIT D**

**EXECUTIVE ORDER NO. 11-**

WHEREAS, the Congress passed and the President signed the American Recovery and Reinvestment Act of 2009 ("ARRA"); and

WHEREAS, Title XIII of Title A of ARRA, called the Health Information Technology for Economic and Clinical Health Act ("HITECH Act") provides in section 3013 for the promotion of health information technology through grants to a State or a qualified State-designated entity; and

WHEREAS, these HITECH Act funds support the development of a statewide healthcare information architecture that will allow healthcare providers to share healthcare information, improve patient safety, reduce redundant tests and procedures, and lead to an overall reduction of healthcare costs while maintaining the privacy and confidentiality of such healthcare information in accordance with existing laws, such as the Health Insurance Portability and Accountability Act of 1996; and

WHEREAS, the State of Hawai'i has identified a private non-profit entity, the Hawai'i Health Information Exchange, which meets the requirements of the HITECH Act Section 3013, as its State-designated agency to facilitate and expand the electronic movement and use of health information among organizations according to nationally recognized standards; and

WHEREAS, the State of Hawai'i will benefit from the institution of a statewide healthcare information architecture by the resulting improved quality of care, increased sharing of information needed to diagnose and treat patients, enhanced privacy and security controls of healthcare information, and reduced redundant healthcare procedures and costs;

NOW, THEREFORE, I, NEIL ABERCROMBIE, Governor of Hawai'i, pursuant to the provisions of Art. V, sections 5 and 6 of the Hawaii Constitution, and sections 29-13 and 78-27, Hawaii Revised Statutes, do hereby order that, as the State-designated entity, the Hawai'i Health Information Exchange has responsibility for the following:

1. Stewardship of applicable funds under the HITECH Act;
2. Instituting a statewide health information technology architecture in accordance with the HITECH Act and applicable guidance issued by the Secretary of the Department of Health and Human Services;
3. Facilitating statewide adoption of standards and requirements consistent with federal regulations for health information exchange in order to enable the secure exchange of health information;
4. Identifying areas where State laws and regulations hinder, rather than facilitate, adoption of health information technology; and recommendation of strategies to remove such barriers;

5. Facilitating meaningful use of Electronic Health Records including supporting, where appropriate, planning and implementation of incentive payments, discounts, or other advantages for providers;
6. Making recommendations on policies and regulations that
  - a) Ensure that health information is exchanged only among properly credentialed providers and health care organizations for appropriate uses;
  - b) Ensure that entities engaging in health information exchange activities do not exclude properly credentialed providers and public health agencies from accessing health information for appropriate uses;
  - c) Ensure privacy safeguards; and
  - d) Ensure that patients are notified of rights to have health data be included or not included in health information exchange;
7. Identifying opportunities and strategies for a public-private partnership approach to create financially viable and sustainable business models for health information exchange projects in the State;
8. Encouraging public-private partnerships to increase adoption of electronic health records for providers;
9. Facilitating exchange of health information for the benefit of public health in collaboration with the Department of Health emphasizing, at a minimum, the vaccine registry and disease surveillance;
10. Facilitating exchange of health information for public health insurance programs, as appropriate, including the Department of Human Services and the Hawai'i Health Connector; and
11. Facilitating efforts to develop secure strategies and architectures to build clinical and claims databases that can be analyzed to improve quality and value and increase provider and insurance transparency for consumers.

IT IS FURTHER ORDERED, that the Hawai'i Health Information Exchange shall continue to fulfill the requirements to maintain its state-designated entity status, shall meet all reporting and other ARRA requirements, and shall operate in a transparent, collaborative, and inclusive manner.

IT IS FURTHER ORDERED, that the Hawai'i Health Information Exchange shall submit an annual report which shall include financial information, goals met, progress made, and recommendations for furthering health information exchange to the State Health Information Technology Coordinator, which is a function of the Governor's Healthcare Transformation Coordinator, as created by Executive Order No. 11-22.

IT IS FURTHER ORDERED, that this Executive Order is not intended to create, and does not create, any rights or benefits, whether substantive or procedural, or enforceable at law or in equity, against the State of Hawaii, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Hawai'i.

DONE at the State Capitol, Honolulu  
State of Hawai'i, this \_\_\_\_\_  
Day of \_\_\_\_\_, 20\_\_\_\_

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NEIL ABERCROMBIE  
Governor of Hawai'i

APPROVED AS TO FORM:

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DAVID M. LOUIE  
Attorney General