REQUEST FOR PROPOSALS

Subcontract for the State Alliance for e-Health

Due Date: January 22, 2008

An Examination of Financing, Accountability, and Oversight Models to Sustain Electronic Health Information Exchange

PURPOSE

The National Governors Association Center for Best Practices (NGA Center) invites organizations and individuals to apply for a subcontract under the State Alliance for e-Health (State Alliance) Project. The NGA Center seeks a contractor to examine models and identify options for states regarding the financing of electronic exchange of health information and mechanisms for states to ensure accountability of public dollar investments and protection of consumer information. Specifications of the subcontract's project scope, deliverable timeframes, budget requirements, and contracting arrangement are outlined below.

Required letters of intent are due by 5:00 p.m. Eastern time on January 8, 2008 and completed proposals are due by 5:00 pm Eastern time on January 22, 2008.

OVERVIEW OF THE STATE ALLIANCE FOR E-HEALTH

The National Governors Association Center for Best Practices was awarded a contract from the U.S. Department of Health and Human Services' Office of the National Coordinator for Health Information Technology (ONC) to establish and manage the State Alliance for e-Health, a consensus-based, executive-level body of state elected (and appointed) officials to collectively address state-level health information technology (health IT) issues and challenges to interoperable, electronic exchange of health information. The State Alliance is co-chaired by Governor Phil Bredesen of Tennessee and Governor Jim Douglas of Vermont. Its membership consists of state legislators, insurance commissioners, and attorneys general. The State Alliance is committed to activating state leaders and assisting states in implementation efforts that support health IT adoption and electronic HIE. (For more information on the State Alliance, go to www.nga.org/center/ehealth).

The State Alliance held its inaugural meeting on January 26, 2007 and has since been examining priority issues for states in electronic HIE, including:

- Electronic prescribing.
- Privacy and security of health information.
- Licensure barriers to e-health and cross-state consultation.

- Role of publicly funded health programs in facilitating health IT adoption and electronic HIE development.

Three taskforces provided support on these issues to the State Alliance: the Health Information Protection Taskforce, Health Care Practice Taskforce, and Health Information Communication and Data Exchange Taskforce, respectively. The State Alliance adopted recommendations from each of these taskforces in August and October 2007 and will be issuing its first report to the nation, early in 2008, that summarizes its findings and presents concrete opportunities for state action.

In addition to the areas of study mentioned above, the State Alliance is examining sustainability models for electronic HIE and accountability mechanisms for states' consideration. Recommendations on financing and accountability options will be outlined in a comprehensive state leaders' guide to electronic health information exchange, scheduled for publication in September 2008.

FINANCING AND ACCOUNTABILITY OF ELECTRONIC HEALTH INFORMATION EXCHANGE

There is widespread agreement that the use of health IT systems and the creation of interconnected electronic HIEs are foundational to the transformation of the U.S. health care system. Mounting evidence suggest that strategic investments in interoperable health IT and electronic HIE can lead to improvements in health care quality and population health and have the potential to reduce costs. There are, however, a number of barriers that must be overcome in order to fully realize the potential of health IT systems. Three of the more significant barriers include:

1. A lack of clarity for potential electronic HIE builders and operators as to the business models that can be used to support the exchange through charges on those who participate in or use it.

2. Uncertainty from electronic HIE builders and operators, consumers (patients), providers, and insurers of the "rules of the road" that will govern operation of electronic HIE.

3. Concern by consumers that privacy and security of medical records in an electronic environment will not be properly ensured or enforced.

Overcoming each of these barriers suggests a state interest in helping create some form of oversight function to ensure that uniform operational "rules of the road," payment structures, and privacy and security rules are established and implemented for the electronic exchange of health information. However, while the state may have an interest in these matters, it may not be the most appropriate agent for conducting all oversight aspects of the exchange. Other models may include professional boards or quasi- or non-government institutions.

To date, efforts have been made to assist in the development of electronic HIE and establish pilot programs for the electronic exchange of data across providers, laboratories, and insurers. The initiatives demonstrated the technological capabilities of the systems, but have yet to truly examine the policies needed to overcome the barriers mentioned above.

As existing electronic HIEs mature and others develop across the country, governors and state legislators are exploring options to appropriately finance and sustain these exchanges. For instance, they are determining how states can best organize the development and growth of these exchanges as well as how exchanges should interact across borders. Thus far, three technical architecture models have emerged for conducting electronic exchange of health information:

- Federated model (also known as “distributed” or “peer-to-peer”): In this model, each data provider maintains its own health information database and has an interface with every other provider participating in the exchange to share information privately and securely. No one data provider has a complete medical record of a patient.
- Centralized model: In this model, all data on a particular patient are stored in a single, centralized repository and providers submit data to the repository. There may be several, community-based centralized repositories in this model, as opposed to one national centralized repository.
- Health record data bank: This is the newest model to emerge, where patients “deposit” health information (and pay a fee themselves or through their health insurers) into health record data banks. This model is similar to the centralized model. However, it differs in the sense that it is dependent primarily on patient-submitted data as opposed to provider-submitted data. Providers also may, with the consent of the patient, deposit health information into and access health information of their patients from the health record data bank.

There is no conclusion as to which of these models is the appropriate technical architecture to organize and facilitate the electronic exchange of health information. Some states are considering developing multiple technical architectures, each tailored to their local stakeholders’ needs. It is also possible for new technical models to emerge as technology advances and information sharing capabilities mature. However, all viable models must be able to satisfactorily address the following policy questions:

- What type of model would allow participants in an electronic HIE environment to financially support the exchange while minimizing the complexity of financial transactions?

- What type of model would encourage uniformity and consistency in the fees charged to data sources and users of the exchange, while enabling health record portability? For instance, in one scenario an urban area has an electronic HIE that includes a physician office, hospital, health plan, and consumer as its participants and each participant is charged a fee for using the exchange. After 2 years, the consumer moves to a rural area that has a different electronic HIE and becomes a participant in that exchange. Can the health record populated with data from different sources be transferred from the urban electronic HIE to the rural electronic HIE so as to maintain a longitudinal health record for the consumer? What kind of technical infrastructure could enable this? What kind of fee structure would support this level of portability?

- What type of model would provide consumers assurance that data integrity is maintained and that privacy and security rules are adhered to?

The State Alliance believes several models may exist that could address the above concerns and is requesting such an examination through this RFP. One possible model that is of interest to the Alliance is a utility-based option. In such a model, an entity maintains and operates the electronic HIE infrastructure as a public service. Its rates of return and fee structures are set by a public board and oversight is provided by a public agency, professional association or board, or other structure. In addition to the utility model, the Alliance is interested in exploring models that have been employed in other electronic exchange environments, such as the financial and banking industries.

PROJECT SCOPE

To assist governors and state legislators in making decisions, the State Alliance would like to examine the trade-offs of different models for financing and ensuring accountability for electronic HIE. This subcontract will provide the State Alliance with background information and a menu of financing, oversight, and accountability options that note the pros and cons of each option.

The applicant should propose appropriate methods to conduct subcontract activities noted in the deliverables section of this RFP and that address the research questions specified. Specific questions that must be addressed by the research include:

Operational Considerations

1. Based on experience to date, what are the basic models of an electronic health information exchange that permit the sharing of clinical and other information among providers, laboratories, and insurers with patient input and access? What types of transactions occur in such a system?

Financial Considerations

2. What are the possible (a) capital and (b) operational costs associated with an electronic HIE?
3. Among patients, providers, insurers, government and neutral operators, how might costs be apportioned based on benefits?
4. What might be the appropriate role of the public sector, particularly states, in providing financial support to an electronic HIE based on its benefits?

Organizational Considerations

5. As previously noted, states have an interest in ensuring that any organizational infrastructure for electronic HIE would: (a) allow for transparent and uniform charges across different electronic HIE networks; (b) ensure that data exchange complies with rules for privacy and consumer protections; and (c) enable electronic exchange within and between states. What type of organizational models would permit such operational necessities and provide accountability?
6. Are there regulatory models in the public utility, financial, or other sectors that may apply to (5) above? If so, what do the models entail?
7. Given the current role of state government in regulating and overseeing the health care industry, what is the appropriate role for state government in the oversight of electronic HIE? Are there organizational structures that would efficiently combine oversight of electronic HIE with other health care oversight functions already in existence?
8. What mechanisms could state government put in place to ensure accountability for public dollar investments?
9. What mechanisms can/should state government put in place to ensure protection of consumer health information?

The contractor must leverage relevant research including, but not limited to, those sponsored by the U.S. Department of Health and Human Services, the State Alliance, State Level-HIE Consensus Project findings, eHealth Initiative Value and Sustainability Model and Blueprint, and the Gartner report on the NHIN trial implementations.

Deliverables

The subcontractor will work with NGA Center staff to:

- Develop a draft plan for conducting the research. The plan shall include a survey of existing literature on financing, sustainability and accountability of electronic HIEs; research on financing and accountability models from other industries (e.g., electric power and

telecommunication and financial industries); and identification of subject matter experts to interview.

- Develop a draft outline of the final report.

- Present research plan and outline to the State Alliance on February 22, 2008. Submit final plan and outline to NGA Center within one week of receiving feedback from the State Alliance meeting.

- Develop, in consultation with the NGA Center, a synthesis of models that have achieved financial sustainability in health care or other industries that may be replicable for electronic HIE. The synthesis will be used as background information for a roundtable experts meeting that will be conducted in March 2008. The synthesis should describe the pros and cons of each model, including an assessment of ease of implementation with specific attention to:

    - Technical infrastructure needed to support sustainability

    - Organizational infrastructure needed to support sustainability

    - Policy environment necessary for development and maintenance

    - Stakeholders needed to be involved

    - Estimated start-up costs and ongoing costs, including an assessment state government contribution to both as well as the private sector

    - How long it took to design and implement the model

- Present synthesis at a roundtable experts meeting that NGA Center will convene in March 2008 and incorporate points from the deliberations into the research.

- Develop an initial draft of the research findings and options for financing and accountability of electronic HIEs to be considered by states. The initial draft should include the synthesis findings as well as findings from the expert roundtables meeting and begin to lay out the determining factors for sustainable electronic HIE. Complete the initial draft by May 2008.

- Present preliminary findings and options to the State Alliance on May 12, 2008 and receive input from State Alliance members in finalizing the work product.

- Finalize the work product report by July 2008.

- Present an integrative final report to the State Alliance in August 6, 2008.

Proposal Requirements
All proposals must include:

- Demonstrated understanding of the issues pertaining to electronic HIE, given the project scope outlined.
- Detailed scope of work that outlines tasks and approaches to accomplishing elements outlined above.
- Line item budget and detailed cost information per task.
- Proposed firm fixed-price payment structure that associates your firm fixed-pricing payments with your costing of the deliverables.
- Copies of payroll register and federally approved indirect cost rate agreement.

- Certification, if any, of status as small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and/or women-owned small business.
- Past performance experience in this subject area.
- CVs of key personnel.

Proposals may not be longer than 20 pages in total length (excluding budget, fiscal details/narrative, and CVs of key personnel) and should be written in 11-point font and be single-spaced.

AWARD

This will be a firm fixed-price contract subject to Federal Acquisition Regulations, which will be funded under a *contract* to NGA Center from the HHS Office of the National Coordinator for the State Alliance for e-Health project. The NGA Center will award a contract of up to $100,000. The period of performance for this contract is February 1, 2008 - August 31, 2008.

SELECTION CRITERIA

The NGA Center will evaluate the proposals based on the following criteria: (Total Points = 100)

- Understanding of the environment given the project scope (30 points)
- Methodology for approaching project tasks – technical approach (30 points)
- Past performance experience (13 points)
- Key personnel (15 points)
- Certification as a small business category (2 points)
- Cost (10 points)

REPORTING AND PAYMENT SCHEDULE

Within one-week of the execution of the contract agreement, the subcontractor will provide NGA Center with a comprehensive work plan outlining the technical approach to the project tasks, including the plan for conducting the research, milestones and risk-mitigation strategies.

Payment will be provided based on a firm fixed-price payment structure determined by the NGA Center, but will consider the applicant's proposed firm fixed-pricing payment structure that is associated with the applicant's costing of the deliverables. To receive payment, the subcontractor must submit an invoice that states the completed deliverable(s).

The NGA Center will expect a mid- and end-project technical status report (specific due date to be mutually agreed upon by subcontractor and NGA Center). The report should cover:

  - Accomplishments to date
  - Expended resources (ex. hours expended), by activity
  - Progress on performance milestones and deliverables
  - Potential risks and mitigation strategies
  - Planned activities for the remaining period of performance.

DISCLAIMER

This Request for Proposal is not binding on the NGA Center for Best Practices, nor does it constitute a contractual offer. Without limiting the foregoing, the NGA Center reserves the right, in its sole discretion,

to reject any or all proposals; to modify, supplement, or cancel the RFP; to waive any deviation from the RFP; to negotiate regarding any proposal; and to negotiate final terms and conditions that may differ from those stated in the RFP. Under no circumstances shall the NGA Center be liable for any costs incurred by any person in connection with the preparation and submission of a response to this RFP.

PROCESS FOR SUBMITTING PROPOSALS

All organizations and individuals must send an email confirmation to Michelle Lim Warner indicating their intent to submit a proposal by 5:00 pm Eastern Time on January 8, 2008. All organizations and individuals must submit their proposals by 5:00 pm Eastern Time on January 22, 2008. Paper and electronic submissions will be accepted. Proposals should be submitted to:

Michelle Lim Warner
Program Director
National Governors Association Center for Best Practices
444 North Capitol Street, Suite 267
Washington, DC 20001
mwarner@nga.org

BIDDERS' WEB CONFERENCE CALL

The NGA Center will host a conference call for interested applicants to address specific questions about the RFP on **Friday, January 11, 2008 at 2:00 p.m. Eastern Time**. The dial-in information is listed below and will be posted on the State Alliance's Web site (www.nga.org/center/health).

Please direct individual questions to Michelle Lim Warner at mwarner@nga.org or 202.624.3545. You also may contact Cara Campbell (ccampbell@nga.org or 202.624.5372) between the release of this RFP and January 8, 2008.

WEB CONFERENCE CALL INSTRUCTIONS	
TO JOIN AUDIO CONFERENCE	**PRIMARY DIAL-IN: 1 (800) 303-0442** **ALTERNATE DIAL-IN: 1 (847) 413-3733** **CONFIRMATION NUMBER: 20261207**
TO JOIN WEB CONFERENCE	HTTP://WEB.MEETME.NET/R.ASPX?P=2&A=70542026120747 • ON THE MEETING CENTER PAGE, ENTER YOUR NAME AND E-MAIL ADDRESS. • CLICK ON THE "SIGN-IN" BUTTON. • ACCEPT THE TERMS AND CONDITIONS AND CLICK "JOIN" TO ENTER YOUR CONFERENCE.
IF THE INSTRUCTIONS ABOVE DO NOT WORK, FOLLOW THESE INSTRUCTIONS	• COPY AND PASTE THE FOLLOWING URL IN YOUR WEB BROWSER: HTTP://WEB.MEETME.NET/AUDIENCE • COPY AND PASTE THE MEETING KEY: 70542026120747 • CLICK ON THE "SIGN-IN" BUTTON • ON THE MEETING CENTER PAGE, ENTER YOUR NAME AND E-MAIL ADDRESS. • CLICK ON THE "SIGN-IN" BUTTON. • ACCEPT THE TERMS AND CONDITIONS AND CLICK "JOIN" TO ENTER YOUR CONFERENCE.

Additional Details	*To ensure your computer is properly updated, log on as if you were to start the meeting, per the instructions noted below. Prior to logging into the meeting, ensure popup blocker is turned off on your browser.* *Should your computer require any updates to accommodate web conferencing, an additional message will be displayed. Follow the instructions to prepare your computer for the meeting. These updates should take 5 to 10 minutes to complete.* *Once your web conference has ended, please make certain to log out of the meeting.* *As a courtesy to others and to improve sound quality, please mute your phone when not speaking.* *You will be on hold with music until the host opens the conference call.* *If you have any questions or require additional assistance, please contact one of our conferencing specialists at (800) 313-2712 or press *0 from your touch-tone phone during the audio conference.*