Washington State Health Care Authority

Legislative update on community information exchange (CIE)

Leveraging Federal Funding Options for a CIE Program

Executive summary

As part of Washington State's investment in delivering health-related social needs (HRSN) services—such as food and transportation services for Medicaid enrollees—The Washington State Health Care Authority (HCA) is proposing a community information exchange (CIE) program that could begin as early as July 2024. This Legislative update describes CIE and why a CIE program is needed for Washington State. In response to a Legislative proviso, two funding options are presented that leverage federal funds for a proposed CIE program:

- Washington State's renewed Section 1115 demonstration waiver funding, entitled the Medicaid Transformation Project 2.0 (MTP 2.0)
- Medicaid Enterprise System (MES) funding

The state may want to fund the CIE program through MTP 2.0 for the duration of the waiver and consider investing general fund-state (GFS) dollars in support of MES funding when the state is ready to transition CIE to a sustainable program.

What is CIE and why does Washington need a CIE program?

CIE is a technology platform that improves the capacity of the community-based workforce to coordinate the delivery of HRSN services among a network of community-based organizations. CIE technology accesses a resource directory of community-based organizations and provides tools that help community-based workers make and monitor referrals for HRSN services.

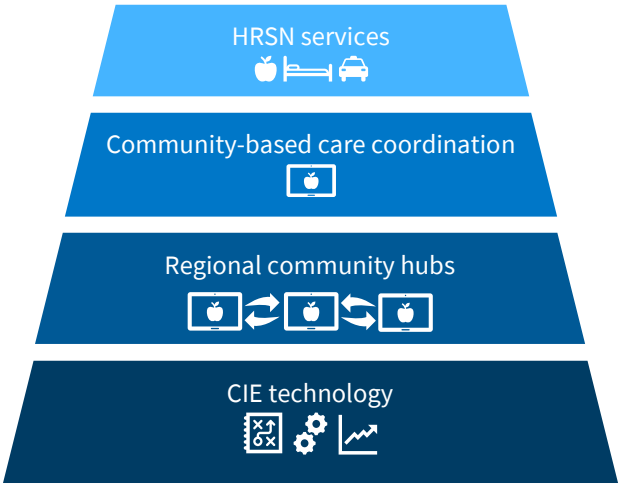
A CIE platform is used by the community-based workforce to coordinate HRSN services for individuals. This scenario demonstrates how a CIE is used: *While visiting an emergency room, clinicians become aware that James and his family struggle to get by. James is referred to the Accountable Community of Health[1] (ACH) in his region. The ACH operates a community hub supported by a CIE platform. James communicates with a Community Hub Services Connector who has access to the hub's CIE. While talking to James, the Connector views information on the CIE from a previous screening and confirms that the family's meals are inconsistent. In part, because the food bank is a considerable distance from his home. Accessing the resource directory, the Connector refers James to a new food bank closer to home. Getting to the new food bank and home with a box of food is still a barrier. The Connector uses the CIE to confirm that transportation services have not been arranged, avoiding duplication, and arranges for transportation services. Later that week, the Connector uses the CIE to confirm that James received transportation services and food by viewing a "closed loop referral" recorded in the CIE.*

A CIE program is needed to build a foundation to standardize the CIE technology and bind CIE platforms across Washington State. This technological infrastructure is integral for implementing a key program of MTP 2.0—the

[1] An Accountable Community of Health is an independent non-profit organization aligned with the state's Medicaid purchasing regions and covering all areas of the state. Under the terms of Washington's 1115 waiver, each ACH will establish a community hub to provide community-based navigation and care coordination.

delivery of HRSN services, such as nutrition, housing, and transportation by community-based organizations. HCA is proposing the CIE program to meet the immediate and long-term needs of CIE technology throughout Washington State. CIE technology, as shown in Figure 1, is integral for scaling the delivery of health-related social needs (HRSN) services as proposed in MTP 2.0.

Figure 1: The foundations of delivering health-related social needs services



HRSN services

Helping Medicaid enrollees receive nutrition, housing, transportation, and other HRSN services promotes access to whole-person care, a strategic goal of HCA. Many Medicaid enrollees need multiple HRSN services to achieve and maintain their health. To effectively serve enrollees, community health workers often must coordinate the services of community-based organizations.

Community-based care coordination

Community-based care coordination is performed by a health and human services workforce. These community health workers are experts in the activities, connections, and foundational tools that ensure food baskets are received, transportation delivered, or housing assistance provided. They reflect the communities they serve, which fosters building trusted relationships that support equity. A region is best served when community health workers are connected through a hub and perform community-based care coordination as a team.

Regional community hubs

Each of the nine ACHs will operate a community hub in its region. A hub will employ, or contract with, community health workers who perform community-based care coordination. Effective community-based care coordination necessitates technology that supports key activities: accessing a resource directory, recording the delivery of HRSN services, or developing a shared-care plan that connects individuals to services.

CIE technology

An ACH cannot operate a modern community hub without CIE technology. CIE technology implemented and coordinated through a CIE program will help to scale the efforts of regional community hubs and promote whole-person health through the delivery of HRSN services. Hubs may ensure access to current CIE technology linked through CIE program investments in common standards and interoperability. A recent report from federal Office of Science and Technology Policy promotes expanding data gathering and sharing: “Advance data collection and interoperability among health care, public health, social care services and other data systems to better address social determinants of health (SDOH) with federal, state, local, tribal, and territorial support.”[2]

[2] The U.S. Playbook to Address Social Determinants of Health, November 2023, p. 19

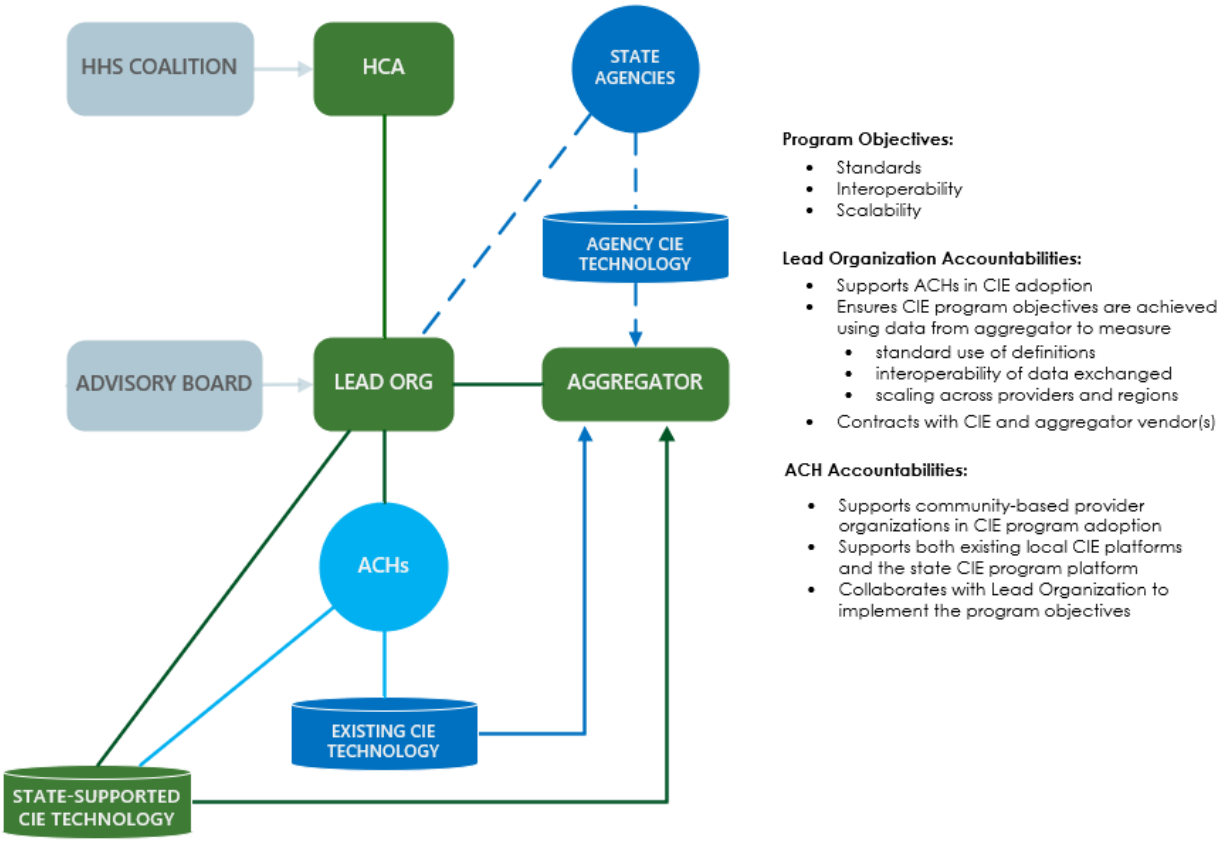
The CIE program will work with partner agency programs, such as Department of Children, Youth, and Families' (DCYF's) Help Me Grow Washington and Department of Health's (DOH's) Care Connect Washington, to address the need for the capacity to deliver HRSN services throughout the state. The overarching goal of the CIE program is to

- Collaborate with communities to identify resources
- Think creatively about how to maximize new and existing hub resources
- Support individuals served by Washington State Medicaid and other programs

A CIE program for Washington State

A CIE program is needed to help CIE platforms operate within their regions and together—using a standardized approach governed by advisors—throughout the state. The proposed CIE program structure, as shown in Figure 2, will support ACHs in implementing CIE technology within and throughout each region.

Figure 2: CIE program structure



HCA will select a lead organization (LO) to implement and operate the CIE program. (HCA does not have the internal capacity to operate a CIE program.) HCA will provide oversight of the LO's performance. The LO will be a neutral third party with expertise in information technology (IT) and in using public processes to establish IT policies. HCA will contract with the LO to accomplish the objectives of the CIE program:

- Develop and implement standard definitions and processes
- Develop and implement the exchange of data (interoperability)
- Enhance compliance with data privacy and security
- Support the efforts of ACHs to scale their CIE technology within and across regions

- Support the efforts of HCA to measure and evaluate the effectiveness of MTP 2.0

The LO will be responsible for selecting vendor functionality in two key areas:

- Selecting a vendor to provide a state-supported CIE technology platform
- Selecting an aggregator

CIE technology platform and aggregator

The LO will be responsible for selecting and contracting with a CIE technology platform—a vendor that will provide the software technology needed to exchange data within each region. By providing a CIE technology platform, the state will work toward providing technology that meets the needs of each ACH region. Additionally, each ACH will collaborate with the LO to implement the CIE program objectives within each region and determine if the objectives can best be achieved by either further developing initial investments in CIE technology or by transitioning to the use of the state CIE technology platform.

The LO will also be responsible for selecting an aggregator—a vendor that will provide the policy and technological expertise needed to develop the standards and interoperability necessary to share data across regional systems. By implementing a CIE program, the state will act as a lever in the market to promote standards, interoperability, and scalability that supports ACH community hubs and programs sponsored by other state agencies. HCA and the LO will use the program's governance structure to formulate strategic direction, address operational issues, and build a sustainable statewide system.

CIE governance

Diverse, shared, and informed governance will be essential for guiding the development of the CIE program and the long-term effectiveness of employing CIE technology within each region and statewide. The LO will be accountable to the HCA; HCA will be accountable to the Washington Health and Human Services Enterprise Coalition (HHS Coalition). The HHS Coalition is a multiorganizational collaborative that provides strategic direction and guidance on federally funded IT projects that have cross-agency or enterprise impact. (HHS Coalition agencies include HCA, DOH, DCYF, Department of Social and Health Services, Health Benefit Exchange, and the Office of the Chief Information Officer.) The CIE program is designated as an HHS Coalition project and HCA is accountable to the HHS Coalition for the success of the CIE program.

Establishing an inclusive and diverse advisory board tailored to express the needs of communities in Washington State will be an important responsibility of the LO. Governance mechanisms will ensure that the informed experience and observations of ACHs and other local advisors are used to identify and resolve policy issues. The advisory board will help the LO remain aware of critical, immediate concerns and map long-term strategies that permit CIE technology to support the goals of community hubs and other programs.

Legislative direction to provide funding options for CIE

Prior to beginning a project on CIE, the Legislature directed HCA, in the **2023 Supplemental Operating Budget, Engrossed Substitute Senate Bill (ESSB) 5187, Section 211 (66); Chapter 475; Laws of 2023,** to provide funding options:

> The authority shall provide the office of financial management and fiscal committees of the legislature a proposal to leverage Medicaid enterprise financing or other federal funds prior to beginning this project and shall not expend funds under a 1115 waiver or any other waiver without legislative authorization.

As such, the following information explores how the state could leverage MTP 2.0 and MES funding for the proposed CIE program.

MTP 2.0 waiver funding

MTP 2.0 waiver funding is now available to support the CIE program from July 1, 2024, through June 30, 2028. With this funding mechanism, federal funds will be matched by non-federal funds at a cost-share of 50 percent federal/50 percent non-federal. HCA is proposing intergovernmental transfers—a method in which governmental entities, such as a county or a public hospital, can transfer funds to the state—for the non-federal share. No general fund state dollars would be used if the CIE program is funded through MTP 2.0. To authorize the CIE program funded through MTP 2.0, the Washington State Legislature would only need to include the MTP 2.0 appropriation authority in the operating budget.

Based on initial calculations, the projected cost to implement and operate the program for year one would be $9,634,000, and the projected cost for each following year would be $13,355,000. This would result in a federal cost share of $4,817,000 and a non-federal cost share of $4,817,000 for year one of the CIE program. The projected federal cost share for each following year would be $6,678,000, and the non-federal cost share would be $6,677,000.[3]

MES funding

MES funding should be considered as an option for long-term, sustainable support of the CIE program by using GFS to leverage federal funds. HCA would need to include the CIE program in an Advanced Planning Document (APD) that requests approval of federal funds in support of the CIE program. CMS will need to certify the system before MES funding is approved. At this time, HCA estimates a minimum of 24 months would be needed to include the CIE program in the agency's APD process. It is assumed that the CIE program will be implemented and operated with MTP 2.0 funding for the duration of the waiver; intergovernmental transfers maximize the state's investment of waiver dollars in the health of the state's population. If the state chooses to invest GFS dollars in the sustainable maintenance and operation of the CIE program, then transitioning to MES funding should be considered.

To use MES funding, HCA will need to calculate the percentage of individuals served by the CIE program who are Medicaid enrollees because the CIE program will not exclusively serve Medicaid enrollees. Calculating the percentage is necessary to provide an accurate cost allocation of non-federal and federal funds. While HCA believes that the CIE program will predominantly serve Medicaid enrollees, the ability to collect data and demonstrate that assertion is not in place. HCA, consequently, cannot provide an estimate of federal support suitable for MES funding of maintenance and operation of the CIE program in this update.

HCA is able, however, to provide a broad range of potential federal cost shares of MES funding. If the state never obtains data on the Medicaid enrollees served by the CIE program, then the state Medicaid population percentage, currently 26.4367 percent, would be used for the cost allocation. That percentage and budget figures submitted for year two of the CIE program are used to produce a low-end estimate with a federal cost share of $2,648,000 and a non-federal cost share of $10,707,000.[4]

With support from the CIE program, ACHs will implement CIE technology in their regions. Upon implementation, ACHs should be able to collect data on Medicaid enrollees and include that data in a request for MES funding. To estimate the top end of the range for this Legislative update, HCA asked ACHs to provide their best judgment of

[3] These results are calculated by taking the total projected CIE annual cost (Y1; Y2 onward) and multiplying it by the federal Medicaid cost share of 50 percent. The resulting product is then subtracted from the total projected CIE annual cost. The difference is the non-federal cost share. The figures for MTP 2.0 waiver funding were copied from the CIE budget submitted to the Office of Financial Management.

[4] These results are calculated by taking the total projected CIE annual cost (Y1; Y2 onward) and multiplying it by the state Medicaid population percentage for cost allocation, which is currently 26.4367 percent. The resulting product is then multiplied by the federal MES cost share of 75 percent. The resulting product is then subtracted from the total projected CIE annual cost. The difference is the non-federal cost share. The figures used for MES funding were calculated from figures submitted in the CIE budget to the Office of Financial Management.

the current percentage of Medicaid enrollees they serve among the total population they serve. HCA reviewed the figures provided by each ACH and selected 85 percent as the percentage of Medicaid enrollees likely to be served. That percentage and budget figures submitted for year two of the CIE program result in a federal cost share of $8,514,000 and a non-federal cost share of $4,841,000 for the top end of our range.[5]

Previous development of strategic options

The proviso language that directed this update on federal funding options was preceded by Legislative direction on CIE technology in paragraphs (a) and (b) below:

a) Within the amounts appropriated in this section the authority, in consultation with the health and human services enterprise coalition, community-based organizations, health plans, accountable communities of health, and safety net providers, shall determine the cost and implementation impacts of a statewide community information exchange (CIE). A CIE platform must serve as a tool for addressing the social determinants of health, defined as nonclinical community and social factors such as housing, food security, transportation, financial strain, and interpersonal safety, that affect health, functioning, and quality-of-life outcomes.

b) Prior to issuing a request for proposals or beginning this project, the authority must work with stakeholders in (a) of this subsection to determine which platforms already exist within the Washington public and private health care system to determine interoperability needs and fiscal impacts to both the state and impacted providers and organizations that will be using a single statewide community information exchange platform.

Paragraphs (a) and (b) were addressed by HCA in response to a similar proviso from the 2022 Supplemental Operating Budget (see **Engrossed Substitute Senate Bill (ESSB) 5693, Section 211(113); Chapter 297; Laws of 2022**). In satisfying the previous, similar directive, HCA performed a 2022 review and analysis of CIE technology in Washington State.

The review, a report on **Community Information Exchange Landscape in Washington**, identified CIE investments and implementations throughout Washington State.

An analysis, the **Community Information Exchange Development Strategic Options** report, identified pain points and expectations and concluded with a discussion of strategic options to support a statewide CIE strategy. In formulating the strategic options, HCA considered the pros and cons of each CIE option and concluded that a CIE program is needed to support ACH community hubs and other state CIE systems such as **Care Connect Washington**, operated by DOH, and **Help Me Grow Washington**, operated by DCYF. Annual funding, consequently, is needed to implement and operate a CIE program that supports the state's ongoing regional and statewide objectives for CIE technology.

Next steps

HCA will continue to work with the HHS Coalition and the Office of Financial Management to present financial options to the Legislature that are both feasible and appropriate for consideration of CIE technology for each ACH region and throughout the state. Without CIE technology that addresses the immediate and long-term needs of community hubs, HCA expects gaps in service as Medicaid enrollees may not experience the full potential of HRSN services approved in MTP 2.0.

[5] These results are calculated by taking the total projected CIE annual cost (Y1; Y2 onward) and multiplying it by the anticipated percentage of Medicaid enrollees served, which is 85 percent. The resulting product is then multiplied by the federal MES cost share of 75 percent. The resulting product is then subtracted from the total projected CIE annual cost. The difference is the non-federal cost share. The figures used for MES funding were calculated from figures submitted in the CIE budget to the Office of Financial Management.