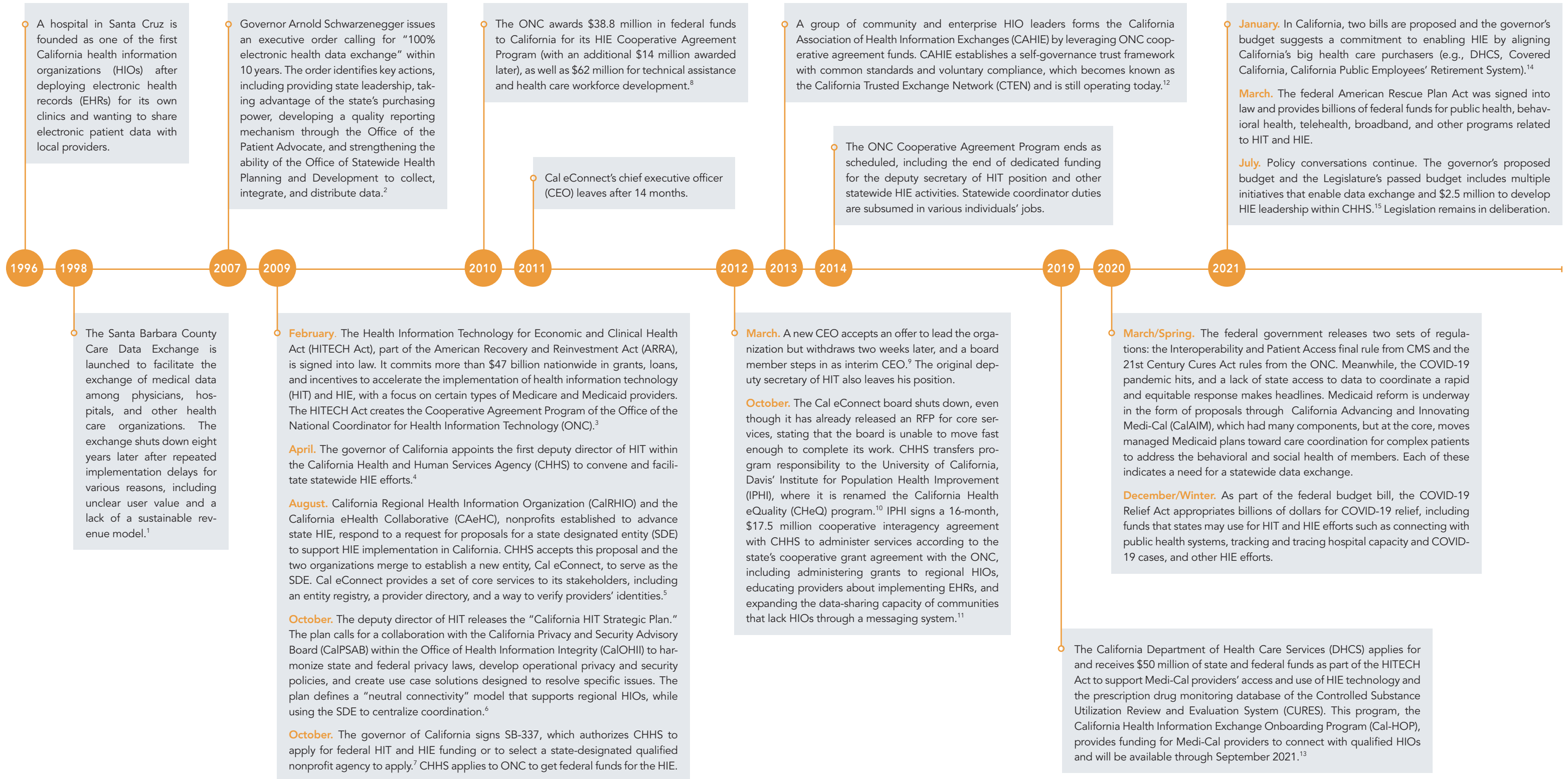# A Timeline of Health Data Exchange in California

Regional and statewide efforts to implement a health information exchange (HIE) in California have evolved significantly over the years. This timeline highlights key events.

1996 — A hospital in Santa Cruz is founded as one of the first California health information organizations (HIOs) after deploying electronic health records (EHRs) for its own clinics and wanting to share electronic patient data with local providers.

1998 — The Santa Barbara County Care Data Exchange is launched to facilitate the exchange of medical data among physicians, hospitals, and other health care organizations. The exchange shuts down eight years later after repeated implementation delays for various reasons, including unclear user value and a lack of a sustainable revenue model.[1]

2007 — Governor Arnold Schwarzenegger issues an executive order calling for "100% electronic health data exchange" within 10 years. The order identifies key actions, including providing state leadership, taking advantage of the state's purchasing power, developing a quality reporting mechanism through the Office of the Patient Advocate, and strengthening the ability of the Office of Statewide Health Planning and Development to collect, integrate, and distribute data.[2]

2009

February. The Health Information Technology for Economic and Clinical Health Act (HITECH Act), part of the American Recovery and Reinvestment Act (ARRA), is signed into law. It commits more than $47 billion nationwide in grants, loans, and incentives to accelerate the implementation of health information technology (HIT) and HIE, with a focus on certain types of Medicare and Medicaid providers. The HITECH Act creates the Cooperative Agreement Program of the Office of the National Coordinator for Health Information Technology (ONC).[3]

April. The governor of California appoints the first deputy director of HIT within the California Health and Human Services Agency (CHHS) to convene and facilitate statewide HIE efforts.[4]

August. California Regional Health Information Organization (CalRHIO) and the California eHealth Collaborative (CAeHC), nonprofits established to advance state HIE, respond to a request for proposals for a state designated entity (SDE) to support HIE implementation in California. CHHS accepts this proposal and the two organizations merge to establish a new entity, Cal eConnect, to serve as the SDE. Cal eConnect provides a set of core services to its stakeholders, including an entity registry, a provider directory, and a way to verify providers' identities.[5]

October. The deputy director of HIT releases the "California HIT Strategic Plan." The plan calls for a collaboration with the California Privacy and Security Advisory Board (CalPSAB) within the Office of Health Information Integrity (CalOHII) to harmonize state and federal privacy laws, develop operational privacy and security policies, and create use case solutions designed to resolve specific issues. The plan defines a "neutral connectivity" model that supports regional HIOs, while using the SDE to centralize coordination.[6]

October. The governor of California signs SB-337, which authorizes CHHS to apply for federal HIT and HIE funding or to select a state-designated qualified nonprofit agency to apply.[7] CHHS applies to ONC to get federal funds for the HIE.

2010 — The ONC awards $38.8 million in federal funds to California for its HIE Cooperative Agreement Program (with an additional $14 million awarded later), as well as $62 million for technical assistance and health care workforce development.[8]

2011 — Cal eConnect's chief executive officer (CEO) leaves after 14 months.

2012

March. A new CEO accepts an offer to lead the organization but withdraws two weeks later, and a board member steps in as interim CEO.[9] The original deputy secretary of HIT also leaves his position.

October. The Cal eConnect board shuts down, even though it has already released an RFP for core services, stating that the board is unable to move fast enough to complete its work. CHHS transfers program responsibility to the University of California, Davis' Institute for Population Health Improvement (IPHI), where it is renamed the California Health eQuality (CHeQ) program.[10] IPHI signs a 16-month, $17.5 million cooperative interagency agreement with CHHS to administer services according to the state's cooperative grant agreement with the ONC, including administering grants to regional HIOs, educating providers about implementing EHRs, and expanding the data-sharing capacity of communities that lack HIOs through a messaging system.[11]

2013 — A group of community and enterprise HIO leaders forms the California Association of Health Information Exchanges (CAHIE) by leveraging ONC cooperative agreement funds. CAHIE establishes a self-governance trust framework with common standards and voluntary compliance, which becomes known as the California Trusted Exchange Network (CTEN) and is still operating today.[12]

2014 — The ONC Cooperative Agreement Program ends as scheduled, including the end of dedicated funding for the deputy secretary of HIT position and other statewide HIE activities. Statewide coordinator duties are subsumed in various individuals' jobs.

2019 — The California Department of Health Care Services (DHCS) applies for and receives $50 million of state and federal funds as part of the HITECH Act to support Medi-Cal providers' access and use of HIE technology and the prescription drug monitoring database of the Controlled Substance Utilization Review and Evaluation System (CURES). This program, the California Health Information Exchange Onboarding Program (Cal-HOP), provides funding for Medi-Cal providers to connect with qualified HIOs and will be available through September 2021.[13]

2020

March/Spring. The federal government releases two sets of regulations: the Interoperability and Patient Access final rule from CMS and the 21st Century Cures Act rules from the ONC. Meanwhile, the COVID-19 pandemic hits, and a lack of state access to data to coordinate a rapid and equitable response makes headlines. Medicaid reform is underway in the form of proposals through California Advancing and Innovating Medi-Cal (CalAIM), which had many components, but at the core, moves managed Medicaid plans toward care coordination for complex patients to address the behavioral and social health of members. Each of these indicates a need for a statewide data exchange.

December/Winter. As part of the federal budget bill, the COVID-19 Relief Act appropriates billions of dollars for COVID-19 relief, including funds that states may use for HIT and HIE efforts such as connecting with public health systems, tracking and tracing hospital capacity and COVID-19 cases, and other HIE efforts.

2021

January. In California, two bills are proposed and the governor's budget suggests a commitment to enabling HIE by aligning California's big health care purchasers (e.g., DHCS, Covered California, California Public Employees' Retirement System).[14]

March. The federal American Rescue Plan Act was signed into law and provides billions of federal funds for public health, behavioral health, telehealth, broadband, and other programs related to HIT and HIE.

July. Policy conversations continue. The governor's proposed budget and the Legislature's passed budget includes multiple initiatives that enable data exchange and $2.5 million to develop HIE leadership within CHHS.[15] Legislation remains in deliberation.

About the Foundation

The **California Health Care Foundation** is dedicated to advancing meaningful, measurable improvements in the way the health care delivery system provides care to the people of California, particularly those with low incomes and those whose needs are not well served by the status quo. We work to ensure that people have access to the care they need, when they need it, at a price they can afford.

CHCF informs policymakers and industry leaders, invests in ideas and innovations, and connects with changemakers to create a more responsive, patient-centered health care system.

Endnotes

1. Robert H. Miller and Bradley S. Miller, *The Santa Barbara County Care Data Exchange: Lessons Learned*, California Health Care Foundation (CHCF), August 2007.

2. California Executive Order S-06-07, which in addition to pledging an electronic health exchange within 10 years, identified key actions for the state to pursue, including providing state leadership, leveraging state purchasing power, developing a quality reporting mechanism through the Office of the Patient Advocate, and strengthening the ability of the Office of Statewide Health Planning and Development to collect, integrate, and distribute data. California Executive Order S-06-07, governor of the State of California, March 14, 2007.

3. Terri Shaw and Samantha Artiga, *Federal Support for Health Information Technology in Medicaid: Key Provisions in the American Recovery and Reinvestment Act* (PDF), KFF, August 2009.

4. *California Health Information Exchange Strategic Plan*, October 21, 2009.

5. *California HIE Operational Plan*, 2010. CHHS received seven proposals, with two organizations, CAeHC and CalRHIO, scoring significantly higher than the others but not meeting all of the state's criteria. On November 20, 2009, after detailed discussions with both organizations, CHHS asked leaders of both organizations to explore submitting a joint proposal. On December 24, 2009, the two responding organizations agreed to submit a joint proposal.

6. *California HIE Strategic Plan*, 2009.

7. Senate Bill No. 337 (Chapter 180. 2009)

8. *California Health Information Exchange Cooperative Agreement Program Project Abstract*, California HIE Cooperative Agreement Program, California Health and Human Services Agency, 2010.

9. David Gorn, "After 2 Years of Cal eConnect, What's Next for HIE in California?" California Healthline, May 29, 2012.

10. Gorn, "After 2 Years of Cal eConnect."

11. CHeQ was funded under a 16-month Interagency Agreement with CHHS under the ONC Cooperative Grant Program. See more at University of California, Davis Health System, "Institute for Population Health Improvement Releases Buyer's Guide for Health Information Exchange," Public Release, November 1, 2012.

12. CAHIE, California Association of Health Information Exchanges (website).

13. "Cal-HOP," California Department of Health Care Services (DHCS), last modified March 24, 2021.

14. "Proposed Budget Detail," 2021–22 Governor's Budget, released on January 8, 2021.

15. "Revised Budget Detail," 2021–22 May Revision to the Governor's Budget, revised on May 14, 2021.