



Fact Sheet

Data Exchange and the Need for Enduring Leadership: Why a strong governing board is needed to ensure all Californians benefit from a connected health system.

Improve Care and Cut Costs Through the Seamless, Statewide Exchange of Health Data

Every Californian should have their complete health information available to their care team when and where it's needed. Seamless data exchange would connect physical health, behavioral health, and social services data to enable whole-person care and save lives.

Empowered with real-time access to data, providers can eliminate redundant tests and appointments for patients, avoid unnecessary hospitalizations and readmissions, and deliver more effective care — improving outcomes and lowering costs while protecting privacy and building trust.

The Data Exchange Framework: A Major Step Forward

The state has made a significant investment in getting where we need to go with the [Data Exchange Framework \(DxF\)](#) — a historic statewide initiative, enacted into law in 2021, to expand the exchange of health and social services information among health care entities, government agencies, and social service organizations. The DxF requires health care

organizations to electronically share health and social services information to provide treatment and care coordination and support public health.

As of February 2025, nearly 4,500 health care organizations have signed the state's first-ever statewide Data Sharing Agreement — including more than 400 hospitals and other acute care providers, nearly 2,000 ambulatory care providers, and more than 400 community-based organizations.

The Ongoing Challenges Facing California's Data Exchange Systems

Data exchange is critical to the success of a range of state programs — from improving homelessness interventions to bringing down the cost of care by eliminating repetitive medical tests and patient visits.

Without strong governance, Californians will continue to face the same obstacles they face today when they seek care:

- ▶ Siloed information systems that disproportionately harm rural and underserved communities
- ▶ Disconnected physical health, behavioral health, and social services data
- ▶ Lack of state accountability for health care outcomes
- ▶ Duplicative services and tests that drive up health care costs
- ▶ Preventable medical errors due to incomplete information

Next Key Step: Enduring Leadership and Accountability

California has an opportunity to establish a strong governance body, embedded in statute, to guide policy decisions and oversee the Data Exchange Framework into the future. An effective decisionmaking and regulatory body is necessary to expand participation, ensure accountability, and drive ongoing progress toward meaningful data exchange in California.

Strong governance has proved critical to successful data exchange in Michigan, Maryland, and New York. These states have created boards of directors to manage statewide data exchanges with credible oversight, accountability, and incentives for providers to participate.

While the California Health and Human Services Agency (CalHHS) Center for Data Insights and Innovation is leading implementation, the state has no mechanism to compel participation, resolve disputes, or approve new data exchange requirements. When organizations fail to comply with the DxF, the state has no clear recourse.

By January 2026, all health care providers will be required to engage in the secure, timely exchange of health care data.

Policy Considerations: Principles for Leadership, Accountability, and Governance

California has a history of establishing governance structures for entities such as the Office of Health Care Affordability and Covered California to drive quality and protect the public's interests. The state needs an effective, statutory governance body for health data exchange that will ensure all Californians benefit from connected health information systems.

These principles should guide the next steps policy-makers take on this critical issue:



1. Independent, transparent governance is essential for accountability and affordability.

California needs a governance board, comprised of appointed representatives with clear statutory authority to oversee the state's Data Exchange Framework. This is key to ensuring broad participation, responding to stakeholder and consumer issues, adapting to federal changes, and addressing rising costs. Californians will also benefit from a public, independent oversight body free from conflicts of interest.



2. Multistakeholder participation is vital to promote data exchange that supports whole-person care.

Governance should reflect voices from across health and human services. Safe, secure health information exchange is foundational to supporting individual and population health and well-being. This is especially vital in coordinating care for people transitioning from incarceration and in managing the complex health needs of people experiencing homelessness across housing, physical and mental health, and human services.



3. Enforcement authority is key to ensuring data exchange delivers better health outcomes.

While the state has laid the foundation, California still lacks fully functioning cross-sector data exchange that gives every provider the whole picture of their patients' medical histories. Many providers still have not signed the agreement, and disparities persist in who participates. A governance body must be able to support progress, build trust, and ensure transparency through enforcement tools, participation incentives, and public reporting.

Learn More:

- ▶ [Data Exchange Framework](#) (CalHHS)
- ▶ [Executive Summary: California's Health and Human Services Data Exchange Framework](#) (CalHHS)
- ▶ [Data Exchange Explainer: Governance Structures for Statewide Data Exchange in California](#) (CHCF)
- ▶ [CalAIM and Data Exchange](#) (CHCF)
- ▶ [Homelessness and Data Exchange](#) (CHCF)
- ▶ [Health Care Costs and Data Exchange](#) (CHCF)

About the Foundation

The [California Health Care Foundation](#) (CHCF) is an independent, nonprofit philanthropy that works to improve the health care system so that all Californians have the care they need. We focus especially on making sure the system works for Californians with low incomes and for communities who have traditionally faced the greatest barriers to care. We partner with leaders across the health care safety net to ensure they have the data and resources to make care more just and to drive improvement in a complex system.

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.