



## Legislative Fiscal Bureau

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September 21, 2010

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Health Services: Governor's Section 13.10 Request for the Use of Federal Economic Stimulus Funding for Immunization Registry Enhancements -- Agenda Item I

The Governor requests that the Joint Committee on Finance approve the allocation and expenditure of \$1,110,000 in 2010-11 to improve data exchange capabilities between the Wisconsin immunization registry (WIR) and health care providers. The U.S. Centers for Disease Control and Prevention (CDC) approved this amount of funding for the project on September 1, 2010.

### **BACKGROUND**

The Department of Health Services (DHS) administers a statewide immunization program to prevent the spread of diphtheria, measles, mumps, whooping cough, polio, rubella, chickenpox, and other diseases. Any person who immunizes an individual must maintain records identifying the manufacturer and lot number of the vaccine used, the date of immunization and the name and title of the person who administered the immunization. Children entering school or day care must obtain certain immunizations within 30 days of enrollment.

Current law requires DHS to provide the vaccines without charge, if federal or state funds are available for the vaccines, upon request of a school district or a local health department. Persons immunized may not be charged for vaccines furnished by DHS. The immunization program is supported entirely with federal funds, although a sum sufficient state GPR appropriation may be used to fund the purchase of vaccines if federal funds do not meet program demand. The state has never spent any moneys from this sum sufficient appropriation since its creation in 1997. Federal funding is provided under both the vaccines for children (VFC) program, and the Public Health Service Act.

DHS maintains the WIR, an online automated system that tracks immunization of children

in Wisconsin. This system is linked to the vital records program, and can link electronically to public and private immunization providers. Currently, the WIR has over 11,000 users, and over 2,500 schools with "look-up" capability.

In August, 2009, the Committee approved a DHS request to use \$2,114,145 FED provided under the American Recovery and Reinvestment Act (ARRA) in the 2009-11 biennium for the state's immunization activities, including improvements to the WIR's ability to exchange data electronically. The approved request provided \$253,700 to allow the WIR to interface with the special supplemental nutrition program for women, infants and children (WIC), and \$195,000 for the expansion of types of systems that can interface with the WIR, and the purchase of additional hardware to handle these types of exchanges.

## **ANALYSIS**

The goal of this project is to build upon existing data exchange capability between the WIR and providers that use electronic health records (EHRs) through the establishment of a "real-time interface" (that is, the capability to immediately access and update immunization data). The project activities fall into four main categories -- payments to EHR vendors, payments to the WIR vendor, payments to health care providers, and internal DHS costs.

*Payments to EHR Vendors (\$420,000).* DHS plans to provide funding to EHR vendors to incorporate a real-time interface with the WIR into their software, with additional funds available to vendors that provide the interface software at no charge to providers. Discussions between DHS and EHR vendors regarding this funding have not yet occurred, and it is not known which vendors would choose to participate in this project.

The Department has identified four high-volume EHR vendors that would be eligible to receive funding if they incorporate a real-time interface with the WIR into their EHR products. Lower-volume EHR vendors would also be eligible to receive smaller grants to develop and incorporate a real-time interface. In order to receive this funding, the vendors would be required to meet certain DHS certification requirements regarding the inclusion of real-time WIR interface in the product, volume of WIR messages, data quality, and timeliness of the exchanges with the WIR. The project would provide four high volume EHR vendors with \$40,000 grants, and five lower-volume EHR vendors with \$10,000 grants (\$210,000 total).

In addition to these payments for establishment of the real-time interface, DHS would make payments to vendors that provide this new software at no charge to customers. As with the funding for establishing the interface, the project budgets \$210,000 for these payments to high- and lower-volume EHR vendors.

*Payments to Contracted WIR Vendor (\$355,219).* DHS has contracted with Hewlett Packard (HP) since 1999 to maintain WIR hardware and software. This project would provide a contract to HP to update the data sharing standards of the WIR (\$125,219), purchase additional hardware (\$100,000), and support a 0.50 FTE position at HP to work with EHR vendors over the

two-year duration of the project (\$130,000). This funding would allow the WIR to exchange information with providers that use EHRs under a set of national standards for the format of information submissions, and ensure that the system can handle an increase in volume of data submitted to or requested from the WIR.

*Payments to Health Care Provider Systems (\$330,406).* The project would provide a total of \$330,406 to health care provider entities to implement the real-time data exchange between EHR systems and the WIR. DHS has identified an initial list of 18 large provider systems that currently provide data to WIR electronically, and plans to contact these systems about transitioning to a real-time interface. In order to receive funds, the provider group would have to meet DHS certification requirements for establishment of real-time interface, data quality, and timeliness of exchanges. Negotiations between DHS and these large providers have not yet occurred. It is not known how much funding DHS would provide to any individual provider group, or how many provider groups would receive funding.

*DHS Costs (\$4,375).* Although no state staff would be supported with these funds, certain state activities would be funded under this request. Certain internal DHS costs associated with administering this grant, such as processing fiscal transactions, are budgeted \$2,375. Also, the federal requirements for this grant include two face-to-face meetings regarding immunization system interoperability. The request includes \$2,000 for state staff travel costs for these meetings.

The following table summarizes the expenditures described above, by budget item and type of payment.

**Proposed Budget for EHR/WIR Real-time Interface Implementation  
By Budget Item**

<u>Budget Item</u>	<u>Amount</u>
Payments to EHR Vendors	
Establishment of Real-time Interface, Large Vendors	\$160,000
Provision of Software at No Cost to Customer, Large Vendors	160,000
Establishment of Real-time Interface, Smaller Vendors	50,000
Provision of Software at No Cost to Customer, Smaller Vendors	50,000
Payments to WIR Vendor (Hewlett Packard)	
WIR Hardware Purchases	100,000
Implementation of Improved Data-sharing Standards	125,219
0.50 FTE to Work with EHR Vendors	130,000
Payments to Large Provider Groups to Implement Real-time Interface	330,406
DHS Costs	
Travel	2,000
Other Internal Costs	<u>2,375</u>
Total	\$1,110,000

## **SUMMARY**

On June 7, 2010, DHS submitted a request to CDC for \$1,586,375 to fund costs associated with improving the quality and timeliness of data exchanges between health care providers and the WIR. CDC notified DHS on September 1 that it had approved \$1,110,000 for this purpose, and identified specific funding allocations, as shown in the table above. As CDC has approved specific funding amounts for each component of the grant request, the Committee does not have the opportunity to modify the funding components of the request.

## **ALTERNATIVES**

1. Approve the expenditure of \$1,110,000 in 2010-11 from moneys received under the federal American Recovery and Reinvestment Act of 2009 (ARRA), to support improvements to data exchange capabilities between the WIR and health care providers.
2. Deny the request.

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