



Idaho's Health Information Exchange

June 2023

Background

The Idaho Health Data Exchange was established in 2008 as a non-profit corporation to develop and administer a statewide database of electronic health records. Health care providers, insurance companies, officials with the Department of Health and Welfare, and other stakeholders worked together to design and oversee the nonprofit. The exchange was intended to improve patient care, save money, and promote public health by making medical records available regardless of where services were rendered.

The federal government offered states several grants to develop and improve their health information exchanges. In some states, agencies directly ran public exchanges. In Idaho, the Department of Health and Welfare contracted with the nonprofit it helped create: the Idaho Health Data Exchange. The exchange also received fees from the department, health insurance companies, and health care providers to access electronic medical records.

The Idaho Health Data Exchange filed bankruptcy in August 2022, reporting that it owes creditors \$4.2 million. The exchange is still operating, but its bankruptcy led to a request for our evaluation.

Scope

This evaluation aims to assess policy decisions and other factors leading to the development of Idaho's health information exchange and its subsequent financial challenges.

We will address the following questions:

1. What is the purpose of the exchange? What was the process and authority by which the exchange was created?

2. What led to the bankruptcy of Idaho's health information exchange?
3. What responsibility did the state have in setting up the exchange and overseeing its implementation, including contract management?
4. Was the state's level of oversight appropriate? Could the state's risk have been reduced with different oversight?
5. What kind of performance, financial, and audit oversight does the state in general and the Legislature in particular have over non-profit corporations that units of government are involved in creating? Should such oversight functions be created or improved? If so, how?
6. How did Idaho's experience compare with other states?
7. What options does the state have moving forward?

Our focus will be on the state's role. We are usually asked to evaluate state agencies and programs, or local governments executing those programs. Since the exchange is a nonprofit corporation, we will rely in part on cooperation from Idaho Health Data Exchange officials, as well as publicly available information such as tax and court filings. If we find evidence that more investigation is necessary than our office can provide, we will inform the Joint Legislative Oversight Committee and legislative leadership.

Projected completion date: January 2024