



Attachments Document

THSA Board Meeting

April 2, 2021

Attachment No. 1

THSA FY2020 Audit Report

Texas Health Services Authority

Financial Statements and Supplemental Information as of and for the Year Ended September 30, 2020 and Independent Auditors' Report

Texas Health Services Authority

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Independent Auditors' Report

Independent Auditors' Report

To the Board of Directors of
Texas Health Services Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Texas Health Services Authority ("THSA") (a nonprofit organization), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise THSA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of THSA as of September 30, 2020, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January XX, 2021 on our consideration of THSA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of THSA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering THSA's internal control over financial reporting and compliance.

Austin, Texas
January XX, 2021

Management's Discussion and Analysis

Texas Health Services Authority

Management's Discussion and Analysis Year Ended September 30, 2020

This discussion and analysis of Texas Health Services Authority's ("THSA") financial performance provides an overview of THSA's financial activities for the fiscal year ended September 30, 2020. Please read it in conjunction with the accompanying basic financial statements and the notes to those financial statements.

Financial Highlights

- THSA's total assets were approximately \$3.5 million; of this amount, all funds represent THSA's assets to implement its purposes laid out in Chapter 182 of the Texas Health & Safety Code. Total assets increased approximately \$2 million during fiscal year 2020 primarily due to implementation of the Texas Health and Human Services Commission's ("HHSC") Implementation Advanced Planning Document ("IAPD"), leading to an increase in accounts receivable from HHSC.
- THSA's liabilities totaled approximately \$624,000; of this amount, all funds represent THSA's financial commitments to implement its purposes laid out in Chapter 182 of the Texas Health & Safety Code. Total liabilities increased approximately \$381,000 during fiscal year 2020 primarily due to THSA's contractual obligations to its health information exchange ("HIE") technology vendor to develop the HIE infrastructure for the THSA's contract with the HHSC.
- At the close of the fiscal year ending September 30, 2020, THSA's assets exceeded its liabilities by approximately \$2.9 million. Of this amount, all funds are to be used to meet THSA's ongoing obligations to the public under Chapter 182 of the Texas Health and Safety Code, including implementation of HIE projects under the IAPD.
- THSA's operating revenues for 2020 totaled approximately \$3.5 million, and operating revenue exceeded operating expenses by approximately \$1.6 million. Revenue increased in fiscal year 2020 primarily due to implementing a contract with HHSC to develop HIE infrastructure under the IAPD.
- Operating expenditures for fiscal year 2020 consisted primarily of contractors expense of approximately \$1.3 million, personnel expense of approximately \$457,000, and office space expense of approximately \$82,000.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of THSA as prescribed by the Governmental Accounting Standards Board ("GASB") Statement No. 34. THSA's activities are accounted for as a special purpose governmental entity, or single enterprise fund. THSA operates as a single enterprise fund; therefore, the basic financial statements presented are the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. As with all proprietary funds, the financial statements are presented using the economic resources measurement focus.

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position report information about THSA as a whole. These statements include all assets and liabilities of THSA using the *accrual basis of accounting*. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report THSA's net position and changes in it. Net position is the difference between assets and liabilities, which is one way to measure THSA's financial health, or *financial position*. Over time, *increases or decreases* in THSA's net position are one indicator of whether its *financial health* is improving or deteriorating.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The Financial Statements

Statement of Net Position

| | 2020 | 2019 | Increase (Decrease) Amount |
|---------------------------|---------------------|---------------------|----------------------------------|
| Current assets | \$ 3,486,978 | \$ 1,485,096 | \$ 2,001,882 |
| Current liabilities | \$ 624,343 | \$ 243,554 | \$ 380,789 |
| Unrestricted net position | <u>\$ 2,862,635</u> | <u>\$ 1,241,542</u> | <u>\$ 1,621,093</u> |

Net position increased from approximately \$1.2 million to approximately \$2.9 million during fiscal year 2020. Of total net position, approximately \$507,000 is held in cash and cash equivalents. Assets are unrestricted and available for THSA's programs, payment of obligations, and fulfillment of THSA's public purpose.

THSA's total assets increased from approximately \$1.5 million to approximately \$3.5 million during fiscal year 2020. The largest single factor contributing to this increase was THSA's implementation of the IAPD during fiscal year 2020, leading to an increase in accounts receivable from HHSC.

As of September 30, 2020, THSA's current assets totaled approximately \$3.5 million and current liabilities totaled approximated \$624,000, resulting in available net working capital of approximately \$2.9 million. There were no noncurrent assets or liabilities.

Statement of Revenues, Expenses, and Changes in Net Position

| | <u>2020</u> | <u>2019</u> | <u>Increase (Decrease) Amount</u> |
|--------------------------------------|----------------------------|----------------------------|---|
| Operating revenues: | | | |
| Connectivity services | \$ 3,550,000 | \$ 760,000 | \$ 2,790,000 |
| Certification and accreditation fees | - | 800 | (800) |
| Other income | - | 2,625 | (2,625) |
| Total operating revenues | <u>3,550,000</u> | <u>763,425</u> | <u>2,786,575</u> |
| Operating expenses: | | | |
| Contractors | 1,328,235 | 513,106 | 815,129 |
| Salaries and fringe benefits | 457,489 | 457,797 | (308) |
| Office space | 81,961 | 72,437 | 9,524 |
| Professional fees | 34,695 | 27,441 | 7,254 |
| Communication | 8,189 | 56,694 | (48,505) |
| Insurance | 7,073 | 6,978 | 95 |
| Telephone and internet | 1,793 | 4,063 | (2,270) |
| Travel | 142 | 36 | 106 |
| Other | 9,330 | 10,193 | (863) |
| Total operating expenses | <u>1,928,907</u> | <u>1,148,745</u> | <u>780,162</u> |
| Operating income (loss) | 1,621,093 | (385,320) | 2,006,413 |
| Beginning net position | <u>1,241,542</u> | <u>1,626,862</u> | <u>(385,320)</u> |
| Ending net position | <u><u>\$ 2,862,635</u></u> | <u><u>\$ 1,241,542</u></u> | <u><u>\$ 1,621,093</u></u> |

THSA experienced an increase in operating revenue during fiscal year 2020 compared to fiscal year 2019 due to implementing a contract with HHSC to develop HIE infrastructure under the IAPD.

THSA experienced an increase in operating expenses during fiscal year 2020 compared to fiscal year 2019 due to increased spending on HIE state-level shared services under THSA's contract with HHSC.

Other expenses are primarily comprised of membership, training, banking fees, and computer and miscellaneous office expenses.

Business Type Activities

For the purposes of financial reporting, THSA is a special purpose governmental entity operating a single enterprise fund. All activities of THSA are categorized as business type activities and are accounted for in the financial statements.

Budgetary Highlights

THSA is not legally required to adopt a budget, therefore, no budgetary highlights or comparison are required under GASB Statement No. 34. THSA has implemented and adhered to a fiscally conservative budget over the past fiscal year. As was the case during the 2019 fiscal year, THSA continued to operate under budget during fiscal year 2020.

Relevant Decisions and Economic Factors

Public Purpose - THSA is organized, operated, and administered exclusively for the purposes noted in its enabling statute, Chapter 182 of the Texas Health and Safety Code. THSA's purpose, as described further in that chapter, is to promote, implement, and facilitate the voluntary and secure electronic exchange of health information.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the world. While the disruption is expected to be temporary, there is uncertainty around the severity and duration. Therefore, while this issue may negatively impact THSA's business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time. THSA is actively managing its operations to maintain its cash flow and management believes that THSA has adequate liquidity.

Legislative Reporting Requirements

THSA is required to develop an annual report, including financial information and a progress update on its efforts to carry out its mission, pursuant to Section 182.106 of the Texas Health and Safety Code. This document, in combination with THSA's annual report, adheres to this requirement.

Continuance Subject to Review

Under the Texas Sunset Act, THSA will go through the Sunset review process in 2027. Until that time, THSA will remain a governmental entity under Chapter 182, Health & Safety Code. This change was brought about by passage of Texas House Bill 3304 during fiscal year 2019.

Contacting THSA's Financial Management

This financial report is designed to provide our stakeholders with a general overview of THSA's finances and to show THSA's accountability for the money it receives. If you have questions about this report or need any additional information, contact Texas Health Services Authority at 901 South Mopac Expressway, Building 1, Suite 300, Austin, Texas 78746, or by email at info@thsa.org.

Basic Financial Statements

Texas Health Services Authority

Statement of Net Position

September 30, 2020

Assets:

| | |
|-----------------------------------|----------------------------|
| Cash and cash equivalents | \$ 507,423 |
| Accounts receivable | 2,956,900 |
| Prepaid expenses and other assets | <u>22,655</u> |
| Total assets | <u><u>\$ 3,486,978</u></u> |

Liabilities-

| | |
|------------------|------------|
| Accounts payable | \$ 624,343 |
|------------------|------------|

Net Position-

| | |
|--------------|----------------------------|
| Unrestricted | <u><u>\$ 2,862,635</u></u> |
|--------------|----------------------------|

The notes to the financial statements are an integral part of this statement.

Texas Health Services Authority

Statement of Revenues, Expenses, and Changes in Net Position Year Ended September 30, 2020

Operating Revenues-

| | |
|-----------------------|--------------|
| Connectivity services | \$ 3,550,000 |
|-----------------------|--------------|

Operating Expenses:

| | |
|------------------------------|-----------|
| Contractors | 1,328,235 |
| Salaries and fringe benefits | 457,489 |
| Office space | 81,961 |
| Professional fees | 34,695 |
| Communication | 8,189 |
| Insurance | 7,073 |
| Telephone and internet | 1,793 |
| Travel | 142 |
| Other | 9,330 |

| | |
|--------------------------|------------------|
| Total operating expenses | <u>1,928,907</u> |
|--------------------------|------------------|

Operating Income

| | |
|--|-----------|
| | 1,621,093 |
|--|-----------|

| | |
|---------------------------------|------------------|
| Net position, beginning of year | <u>1,241,542</u> |
|---------------------------------|------------------|

| | |
|---------------------------|----------------------------|
| Net position, end of year | <u><u>\$ 2,862,635</u></u> |
|---------------------------|----------------------------|

The notes to the financial statements are an integral part of this statement.

Texas Health Services Authority

Statement of Cash Flows

Year Ended September 30, 2020

Cash Flows from Operating Activities:

| | |
|--|--------------------------|
| Connectivity services receipts | \$ 1,163,100 |
| Payments to employees | (457,489) |
| Payments to suppliers of goods and services | <u>(1,096,804)</u> |
| Net cash used in operating activities | (391,193) |
| Cash and cash equivalents, beginning of year | <u>898,616</u> |
| Cash and cash equivalents, end of year | <u><u>\$ 507,423</u></u> |

Reconciliation of Operating Income to Net Cash Used in Operating Activities:

| | |
|--|----------------------------|
| Operating income | \$ 1,621,093 |
| Changes in operating assets and liabilities that provided (used) cash: | |
| Accounts receivable | (2,386,900) |
| Prepaid expenses and other assets | (6,175) |
| Accounts payable | <u>380,789</u> |
| Net cash used in operating activities | <u><u>\$ (391,193)</u></u> |

The notes to the financial statements are an integral part of this statement.

Texas Health Services Authority

Notes to the Financial Statements Year Ended September 30, 2020

1. Organization

Nature of Activities

In 2007, Texas Health Services Authority (“THSA”) was created through House Bill 1066 as a public private partnership, legally structured as a nonprofit corporation. THSA was created to support the improvement of the Texas healthcare system by promoting and coordinating health information exchange (“HIE”) and health information technology (“HIT”) throughout the state and to ensure that the right information is available to the right healthcare providers at the right times. The mission of THSA is to promote and coordinate the development of a seamless electronic health information infrastructure to improve the quality, safety, and efficiency of the Texas healthcare sector while protecting individual privacy. THSA’s governing Board of Directors (the “Board”) consists of twelve directors, all of which are appointed by the Governor of the State of Texas. THSA is organized, operated, and administered as a nonprofit organization in accordance with Section 501(c)(3) of the Internal Revenue Code (“IRC”).

In 2008, the United States Department of Health and Human Services announced the State Health Information Exchange Cooperative Agreement Program (the “HHSC Program”) to fund state planning and implementation of electronic health information networks and support higher quality, safer, and more efficient healthcare. Texas’ formula-funded allotment over the four year term of the HHSC Program was approximately \$28.8 million, to be allocated between three funding streams for planning, sub-national/regional (“intra-state”) HIE, and nationwide (“inter-state”) HIE.

In 2010, THSA entered into an initial contract with the Texas Health and Human Services Commission (the “HHSC”) to provide assistance in the planning and implementation phase of the HHSC Program focused on promoting and coordinating the development of electronic HIE in Texas. The United States Office of the National Coordinator for HIT approved the Texas Strategic and Operational Plans for Statewide HIE, which enabled THSA to continue its efforts in the intra-state phase outlined in the approved plan.

To strengthen and streamline local coordination of HIEs, THSA is making available to each local HIE network a set of shared services (“HIETexas”), enabling connectivity between authorized HIEs in Texas and across the country. Through HIETexas, local HIEs will have connectivity to each other and to other critical functions that will provide operational savings and offer uniformity in administrative, legal, and compliance functions. In order to participate in HIETexas, an HIE must pay a one-time implementation fee to connect and an annual service fee to maintain participation. The amount of the fee is based on the size of the operational budget of the connecting HIE. With the implementation of a privacy and security certification program, THSA also receives certification fees which are based on the size of the organization.

In 2011, SECURETexas was created as a result of amendments to the Texas Medical Records Privacy Act (“TMRPA”) and THSA’s enabling statute. House Bill 300 (82nd Texas Legislature, 2011) directed THSA to develop and submit privacy and security standards for the electronic sharing of protected health information to the HHSC. Those standards are designed to comply with the Health Insurance Portability and Accountability Act, the TMRPA, and any other state and federal law relating to the security and confidentiality of information electronically maintained or disclosed by a covered entity. The standards further ensure the secure maintenance and disclosure of personally identifiable health information, include strategies and procedures for disclosing personally identifiable health information, and support a level of system interoperability with existing health record databases in Texas that is consistent with emerging standards.

Reporting Entity

Under Government Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, THSA is a special purpose governmental entity and a component unit of the State of Texas for financial reporting purposes. There are no component units included within the reporting entity of THSA.

2. Summary of Significant Accounting Policies

Basis of Presentation - The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by GASB. THSA presents its financial statements in accordance with GASB Statement No. 34, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements - Management’s Discussion and Analysis for State and Local Governments: Omnibus*; and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - THSA accounts for its transactions in an Enterprise Fund. THSA prepares its financial statements using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of the related cash flows.

Operating revenues are those revenues that are generated from the primary operations of THSA, and operating expenses are those expenses that are essential to primary operations. When both restricted and unrestricted resources are available for use, THSA will use restricted resources first, then unrestricted resources as they are needed.

THSA complies with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which incorporates into GASB’s authoritative literature certain accounting and financial reporting guidance that is included in private-sector standards issued on or before November 30, 1989.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents - For the purpose of reporting cash flows, THSA defines cash and cash equivalents as cash and investments that are highly liquid with maturities of three months or less. THSA's Investment Policy (the "Policy") and types of investments are governed by Section 2256 of the Texas Government Code (the "Public Funds Investment Act" or "PFIA"). THSA's management believes that it complied with the requirements of the PFIA and THSA's Policy. THSA accrues interest on temporary investments based on the terms and effective interest rates of the specific investments.

Fair Value Measurements - THSA complies with GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 inputs are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities.
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Accounts Receivable - Accounts receivable consists of receivables for HIE connectivity services. Management periodically reviews the collectability of accounts receivable and recognizes allowances for estimated bad debts on accounts that are no longer estimated to be collectible. There was no allowance for doubtful accounts as of September 30, 2020, as management deemed all accounts receivable to be fully collectible.

Property and Equipment - Property and equipment are recorded at cost if purchased or at acquisition value on the date of acquisition if donated. THSA capitalizes all acquisitions of property and equipment that exceed \$5,000. Repairs and maintenance costs are expensed when incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is five years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the statement of revenues, expenses, and changes in net position. As of September 30, 2020, all property and equipment was fully depreciated.

Connectivity Services Revenue - Amounts received for connectivity services associated with THSA's contract with HHSC to develop HIE infrastructure are recognized as services are rendered.

Recently Issued Accounting Pronouncements - In June 2017, the GASB issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. The objective of GASB Statement No. 87 is to improve accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Management is evaluating the effects that the full implementation of GASB Statement No. 87 will have on its financial statements for the year ended September 30, 2022.

3. Concentrations of Credit Risk

Financial instruments which potentially subject THSA to concentrations of credit risk consist principally of accounts receivable. THSA is also subject to concentrations in revenue sources. As of September 30, 2020, amounts owed from the HHSC comprised 100% of the total accounts receivable balance. Connectivity services revenue from the HHSC accounted for 100% of total revenue during the year ended September 30, 2020.

4. Cash and Cash Equivalents

THSA's deposits are required to be secured in the manner provided by law for the security of the funds. Custodial credit risk is the risk that in the event of a bank failure, THSA's deposits may not be returned. As of September 30, 2020, such deposits were entirely covered by Federal Deposit Insurance Corporation ("FDIC") insurance or secured by collateral pledged by the depository.

Authorized Investments

The PFIA authorizes THSA to invest in funds under a written investment policy. THSA's deposits and investments are invested pursuant to the Policy, which is approved annually by the Board. It is the policy of the Board to be in compliance with the PFIA when applicable, and other applicable laws and best practices. It is also the Board's policy to invest the financial assets of THSA pursuant to the following principles in order of priority and in conformance with all applicable federal and state statutes, rules, and regulations:

1. Preservation and safety of principal;
2. Maintaining liquidity in order to meet cash flow needs and to maintain a self-supporting program; and
3. Providing the highest investment return within the applicable federal and state statutes.

Although THSA held no investments as of September 30, 2020, the following investments, fully insured by the FDIC, are authorized by the Board: certificates of deposit, savings accounts, deposit accounts, money markets or depository receipts of banks, savings and loan associations, mutual savings banks, certain interest-bearing banking deposits, and certain hedging transactions. Also allowable are overnight investments fully collateralized at 102% of the balance. The maximum allowable stated maturity of any individual investment owned by the THSA is 180 days. Statements provided by the holding institution will be used to monitor the market value of invested funds.

For each fund to be invested, the Investment Officer will ensure that there is a separate written investment strategy that addresses the suitability of the investment to the financial requirements of the entity, preservation and safety of principal, liquidity, marketability of investment if the need arises to liquidate before maturity, diversification of the investment portfolio, and yield.

5. Commitments and Contingencies

THSA leases office space under noncancelable operating leases. Rental expense during the year ended September 30, 2020 totaled \$76,625. Future minimum lease payments were as follows as of September 30, 2020:

| | |
|-------|------------------|
| 2021 | \$ 16,299 |
| 2022 | 5,433 |
| Total | <u>\$ 21,732</u> |

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the world. While the disruption is expected to be temporary, there is uncertainty around the severity and duration. Therefore, while this issue may negatively impact THSA's business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time. THSA is actively managing its operations to maintain its cash flow and management believes that THSA has adequate liquidity.

THSA is involved in various legal proceedings which arise from time to time in the normal course of operations. While the results of such matters generally cannot be predicted with certainty, management does not expect any such matters to have a material adverse effect on THSA's financial position or results of operations as of September 30, 2020 or for the year then ended.

6. Risk Management

THSA's risk management program includes coverage through a third party insurance provider for general and auto liability, property insurance coverage, and workers' compensation. During the year ended September 30, 2020, there were no significant reductions in insurance coverage from coverage in the prior year. Settled claims have not exceeded insurance limits for the past three years.

7. Income Tax Status

THSA is a nonprofit corporation exempt from federal income taxes under Section 501(c)(3) of the IRC, except to the extent of any unrelated business income. THSA did not incur any significant tax liabilities due to unrelated business income during the year ended September 30, 2020. THSA files Form 990 tax returns in the U.S. federal jurisdiction and is subject to routine examinations of its returns; however, there are no examinations currently in progress.

8. Subsequent Events

THSA has evaluated subsequent events through January XX, 2021 (the date the financial statements were available to be issued), and no events have occurred from the statement of financial position date through that date that would impact the financial statements.

Government Auditing Standards

**Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial
Statements Performed in Accordance With
*Government Auditing Standards***

To the Board of Directors of
Texas Health Services Authority:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Texas Health Services Authority ("THSA"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise THSA's basic financial statements, and have issued our report thereon dated **January XX, 2021**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered THSA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of THSA's internal control. Accordingly, we do not express an opinion on the effectiveness of THSA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether THSA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Austin, Texas
January XX, 2021

Attachment No. 2

Minutes of the November 13, 2020 Board Meeting

TEXAS HEALTH SERVICES AUTHORITY

VIRTUAL MEETING

BOARD OF DIRECTORS MEETING

FRIDAY, NOVEMBER 13, 2020

10:00 A.M.

TEXAS OPEN MEETINGS NOTICE

The THSA Board of Directors is subject to Texas Government Code, Section 551.021:

“Minutes of Open Meeting Required. (a) A governmental body shall prepare and keep minutes or make a recording of each open meeting of the body. (b) The minutes must: (1) state the subject of each deliberation; and (2) indicate each vote, order, decision, or other action taken.”

MEMBERS PRESENT

Shannon Calhoun (Chair), Emily Hartmann (Vice-Chair), Jonathan Sandstrom Hill (Treasurer), Paula Anthony-McMann (Secretary), Victoria Bryant, Lourdes Cuellar, Salil Deshpande, Kenneth James, Jerome Lisk, Carlos Vital, Calvin Green (*HHSC ex-officio member*), Jeffrey Hoogheem (*DSHS ex-officio member*)

MEMBERS ABSENT

Leticia Rodriguez, Siobhan Shahan

CALL TO ORDER/WELCOME AND INTRODUCTIONS

Ms. Shannon Calhoun, THSA Board Chair, called the meeting to order at 10:04 a.m. Chair Calhoun proceeded to review the purpose of the THSA under Chapter 182 of the Health and Safety Code.

PRESENTATIONS, REPORTS & UPDATES

Consideration of August 21, 2020 Board Hearing Minutes

Approval of Minutes from the August 21, 2020 Board Hearing

BOARD ACTION: Chair Calhoun asked if there were any additions or corrections to the August 21, 2020 hearing minutes. Dr. Paula Anthony-McMann made a motion to approve and was seconded by Dr. Jerome Lisk. The motion was approved by a unanimous vote.

Consideration of Fiscal Year 2020 Fourth Quarter Financial Statements:

Approval of THSA's FY 2020 Q4 Financial Statements

Chair Calhoun recognized Mr. Jonathan Sandstrom Hill to review the THSA's 2020 financial statements from July 1, 2020 through September 30, 2020. Mr. Sandstrom Hill reviewed the financial statements for the board.

BOARD ACTION: Chair Calhoun asked if there was a motion to approve the financial statements. Mr.

Jonathan Sandstrom Hill made a motion to approve the Financial Statements. Mr. Kenneth James seconded the motion. The motion was approved by a unanimous vote.

Consideration of FY 2021 Budget Amendment

Chair Calhoun recognized Mr. Gooch to update members on the proposed FY 2021 budget amendment. Mr. Gooch reviewed the proposed amendment for the board.

BOARD ACTION: Chair Calhoun asked if there was a motion to approve the proposed FY 2021 budget amendment. Dr. Salil Deshpande made a motion to approve the proposed FY 2021 budget amendment. Dr. Victoria Bryant seconded the motion. The motion was approved by a unanimous vote.

THSA PROJECTS & PROGRAMS

Update and Consideration of THSA's Projects and Programs

Chair Calhoun informed members that THSA staff provided a written update on the THSA's projects and programs. These are also available on the THSA's website, THSA.org.

Invited and Public Testimony

Chair Calhoun acknowledged those invited for the public hearing on the state of privacy, cybersecurity, and interoperability. The four witnesses were introduced and presented in order.

Nora Belcher, Executive Director of the Texas eHealth Alliance provided testimony on PULSE.

Dr. Joe Schneider, Chair of the TMA Health IT Committee, provided testimony on the Texas Privacy Protection Advisory Council.

Phil Beckett, PhD, CEO of HASA, provided testimony on local HIE and its partnership with HIETexas.

Evan Carter of Audacious Inquiry provided testimony on their partnership with THSA and HASA for the STAR HIE cooperative agreement.

Chair Calhoun concluded the invited testimonies for today's hearing. No action was taken.

INFORMATION ITEMS

Chair Calhoun asked members if there were any questions or comments regarding normal THSA business items. No action was taken.

FUTURE MEETING SCHEDULE

Chair Calhoun advised members of the THSA Board's meeting schedule. The next Board meeting is Friday, February 19, 2021. No vote or action was taken on this item.

PUBLIC COMMENT

Chair Calhoun invited public comment from attendees.

No public comment was made.

ADJOURN

BOARD ACTION: Chair Calhoun asked for a motion to adjourn. A motion was made by Dr. Paula Anthony-McMann and seconded by Dr. Carlos Vital. The meeting adjourned at 11:57 a.m.

Paula Anthony-McMann, Ph.D., THSA Board Secretary

Attachment No. 3

Minutes of the January 28, 2021 Finance Committee Meeting

TEXAS HEALTH SERVICES AUTHORITY

VIRTUAL MEETING

[HTTPS://US04WEB.ZOOM.US/J/9305720817](https://us04web.zoom.us/j/9305720817)

Phone number: 1-312-626-6799

Meeting ID: 930-572-0817

FINANCE COMMITTEE MEETING

THURSDAY, JANUARY 28, 2021

10:00 A.M.

TEXAS OPEN MEETINGS NOTICE

The THSA Finance Committee is subject to Texas Government Code, Section 551.021: "Minutes of Open Meeting Required. (a) A governmental body shall prepare and keep minutes or make a recording of each open meeting of the body. (b) The minutes must: (1) state the subject of each deliberation; and (2) indicate each vote, order, decision, or other action taken."

MEMBERS PRESENT

Jonathan Sandstrom Hill (chair), Kenneth James, and Carlos Vital

CALL TO ORDER/WELCOME AND INTRODUCTIONS

Mr. Jonathan Sanstrom Hill called the meeting to order at 10:02 a.m. Mr. Sandstrom Hill requested that Mr. Gooch call role. Mr. Sandstrom Hill and Mr. Kenneth James were present, and Dr. Carlos Vital joined at 10:09 a.m.

REPORTS AND UPDATES

THSA Annual Audit Report

Ms. Alex Mahan from Maxwell Locke and Ritter LLP gave the THSA annual audit report.

Ms. Mahan asked if there were any questions on THSA's annual audit report.

Dr. Vital asked a question regarding a forecast of the THSA's revenues in future years. Mr. Gooch responded that more information would be provided as it becomes available. Ms. Mahan added that there are no going concerns this year.

Consideration to approve report for full review by the board of directors

Mr. Sandstrom Hill called for the consideration for approval for a full review of the audit report by the THSA Board of Directors. A motion was made by Dr. Vital and a seconded by Mr. James. The motion was approved by unanimous vote.

Information Items

The next Finance Committee meeting will take place in January 2022. The next board meeting is scheduled for Friday, February 19, 2021.

Public Comment

Mr. Sandstrom Hill invited public comment from attendees.

No public comment was made.

ADJOURN

Mr. Sandstrom Hill asked for a motion to adjourn. A motion was made by Dr. Vital and seconded by Mr. Kenneth James. The meeting adjourned at 10:27 a.m.

Jonathan Sandstrom Hill, Chair

Attachment No. 4

FY2021 Q1 Financial Statements

Texas Health Services Authority
Unaudited Statement of Assets, Liabilities and Net Assets-Accrual Basis
As of December 31, 2020

ASSETS

Current Assets

| | |
|--------------|-----------------|
| Cash in bank | \$ 2,959,372.62 |
|--------------|-----------------|

| | |
|---------------------|------------|
| Accounts receivable | 932,850.00 |
|---------------------|------------|

| | |
|----------------------|--------------|
| Total Current Assets | 3,892,222.62 |
|----------------------|--------------|

Property and Equipment:

| | |
|--------------------------------|-------------|
| Computers and equipment | 11,062.86 |
| Office equipment | 2,734.00 |
| Less: Accumulated depreciation | (13,796.86) |

| | |
|------------------------------|---|
| Total Property and Equipment | - |
|------------------------------|---|

Other Assets

| | |
|------------------------|-----------|
| Security deposits paid | 14,277.50 |
| Prepaid Rent | 1,811.00 |
| Prepaid insurance | 18,619.45 |

| | |
|--------------------|-----------|
| Total Other Assets | 34,707.95 |
|--------------------|-----------|

| | |
|--------------|------------------------|
| Total Assets | \$ 3,926,930.57 |
|--------------|------------------------|

LIABILITIES AND NET ASSETS

Liabilities

| | |
|------------------|---------------|
| Accounts Payable | \$ 268,513.28 |
|------------------|---------------|

| | |
|----------------------|------|
| Business credit card | 0.00 |
|----------------------|------|

| | |
|---------------------------|---------------|
| Total Current Liabilities | \$ 268,513.28 |
|---------------------------|---------------|

| | |
|-------------------|---------------|
| Total Liabilities | \$ 268,513.28 |
|-------------------|---------------|

Net Assets

| | |
|------------------------------|--------------|
| Net assets beginning of year | 2,862,634.82 |
| Current year net revenues | 795,782.47 |

| | |
|------------------|-----------------|
| Total Net Assets | \$ 3,658,417.29 |
|------------------|-----------------|

| | |
|----------------------------------|------------------------|
| Total Liabilities and Net Assets | \$ 3,926,930.57 |
|----------------------------------|------------------------|

Texas Health Services Authority
Unaudited Statement of Revenues, Expenses and Other Changes in Net Assets-Accrual Basis
For the Three Months Ended December 31, 2020

| | Federal Grant | Non-Grant | |
|-----------------------------------|-------------------------|-------------------------|-----------------|
| | Related Activity | Related Activity | Total |
| REVENUES | | | |
| STAR HIE Grant Revenue | 99,407.00 | 0.00 | 99,407.00 |
| HHSC CMS Funding | 0.00 | 1,250,000.00 | 1,250,000.00 |
| Total Revenues | \$ 99,407.00 | \$ 1,250,000.00 | \$ 1,349,407.00 |
| EXPENSES | | | |
| Personnel costs | - | 68,715.00 | 68,715.00 |
| Employee benefits | - | 9,967.32 | 9,967.32 |
| Travel | - | - | 0.00 |
| Consultant | - | 35,937.50 | 35,937.50 |
| Accounting Services | - | 1,993.77 | 1,993.77 |
| Audit and Tax Services | - | - | 0.00 |
| Legal Services | - | 2,200.00 | 2,200.00 |
| Comm/Marketing & Web Services | - | 984.00 | 984.00 |
| State Shared Services | - | 380,545.28 | 380,545.28 |
| STAR HIE Grant | 27,438.00 | | 27,438.00 |
| Office space and expenses | - | 22,381.49 | 22,381.49 |
| Insurance | - | 1,794.15 | 1,794.15 |
| Telephone and Internet | - | 386.39 | 386.39 |
| Other Fees & Expenses | - | 1,281.23 | 1,281.23 |
| Total Expenses | 27,438.00 | 526,186.13 | 553,624.13 |
| Net Revenues | \$ 71,969.00 | \$ 723,813.87 | \$ 795,782.87 |
| Current Year Change in Net Assets | \$ 71,969.00 | \$ 723,813.87 | \$ 795,782.87 |

Texas Health Services Authority
Revenues, Expenses to Budget-Accrual Basis
For the Three Months Ended December 31, 2020

| | Actual Activity | Budget | Difference |
|-----------------------------------|----------------------------|-------------------|-------------------|
| REVENUES | | | |
| STAR HIE Grant Revenue | 99,407.00 | 0.00 | 99,407.00 |
| HHSC CMS Funding | 1,250,000.00 | - | 1,250,000.00 |
| Total Revenues | 1,349,407.00 | - | 1,349,407.00 |
| EXPENSES | | | |
| Personnel costs | 68,715.00 | 125,000.00 | (56,285.00) |
| Employee benefits | 9,967.32 | 22,500.00 | (12,532.68) |
| Travel | - | 1,250.00 | (1,250.00) |
| Contractual | | | |
| Consultant | 35,937.50 | 33,750.00 | 2,187.50 |
| Accounting Services | 1,993.77 | 2,500.00 | (506.23) |
| Audit and Tax Services | - | 6,750.00 | (6,750.00) |
| Legal Expenses | 2,200.00 | 6,250.00 | (4,050.00) |
| Communications/Marketing | 984.40 | 12,500.00 | (11,515.60) |
| Other Consultant Services | - | - | - |
| State Shared Services | 380,545.28 | 957,500.00 | (576,954.72) |
| STAR HIE Grant | 27,438.00 | - | 27,438.00 |
| Total Contractual | 449,098.95 | 1,019,250.00 | (570,151.05) |
| Other Expenses | | | |
| Office space and expenses | 22,381.49 | - | - |
| Insurance | 1,794.15 | - | - |
| Telephone and Internet | 386.39 | - | - |
| Other Fees & Expenses | 1,281.23 | - | - |
| Total Other Expenses | 25,843.26 | 26,250.00 | (406.74) |
| Total Expenses | 553,624.53 | 1,194,250.00 | (640,625.47) |
| Net Revenues | \$ 795,782.47 | \$ (1,194,250.00) | \$ 1,990,032.47 |
| Current Year Change in Net Assets | \$ 795,782.47 | \$ (1,194,250.00) | \$ 1,990,032.47 |

Attachment No. 5

THSA 2020 Annual Report

TEXAS HEALTH SERVICES AUTHORITY

THSA



TEXAS HEALTH SERVICES AUTHORITY



ANNUAL REPORT

2020

Please direct questions or comments to:

Texas Health Services Authority
901 S. Mopac Expressway,
Building 1, Ste. 300
Austin, Texas 78746
(512) 329-2730

George Gooch
Annie Nabers
Eric Heflin

Katherine Lusk

Chief Executive Officer
Director of Operations
Chief Technology Officer/Chief
Information Security Officer
Senior Director, Strategic Partnerships

Executive Summary

The Texas Health Services Authority (“the Authority”), established by the Texas Legislature in 2007, has worked to improve health information exchange (HIE) in Texas over the past 14 years. Through partnership with the Texas Health and Human Services Commission (HHSC) and developing relationships with local HIEs, Medicaid Managed Care Organizations (MCOs), hospitals, health care providers and other state agencies, the Authority continues to improve the lives of all Texans. Through the development of an HIE infrastructure connecting providers, hospitals, MCOs, and state agencies, all participants in the continuum of care will receive greater access to important health data to support the health care system in the state and improve patient safety and quality of care.

Through the Emergency Department Encounter Notification system (EDEN), the Authority will notify providers, hospitals, and MCOs in near real time when one of their patients has an encounter at any hospital in Texas. EDEN will receive and publish alerts for patient admissions, intra-facility transfers, and discharges in the state of Texas. These alerts may include the hospital event type (i.e., admit, discharge, transfer), as well as additional information, such as updated patient demographics and recent prior admissions.

In preparation for the 2020 hurricane season and in response to the COVID-19 pandemic, the Authority implemented the HIETexas Patient Unified Look-Up System for Emergencies (PULSE) through HHSC IAPD funding requested to leverage and expand the state-level shared services in Texas. PULSE allows disaster response healthcare professionals to query and view patient documents from all connected healthcare organizations. During disasters, PULSE serves as a health information exchange platform for alternate care sites that have little or no access to electronic health information. It is essential that the most clinically relevant information be available to support individuals displaced by disasters. The access and use of electronic health information is critical to patient quality of care during these times of crisis.

The Authority was also awarded a two-year cooperative agreement from the HHS Office of the National Coordinator for Health Information Technology’s (ONC’s) Strengthening the Technical Advancement and Readiness of Public Health Agencies via Health Information Exchange (STAR HIE) Program in September 2020. The Authority, in partnership with HASA, a regional HIE covering multiple regions in Texas, a local hospital partner, and Audacious Inquiry, will conduct a proof-of-concept pilot to demonstrate real-time, automated exchange of hospital capacity and other situational awareness data. This improved functionality will not only simplify hospitals’ public health reporting, but will also support state and local public health departments, emergency management agencies, and health care organizations across the state.

Introduction and Background

The Texas Health Services Authority (“the Authority”), as detailed in Chapter 182 of the Texas Health & Safety Code, is a public-private partnership created by the Texas Legislature in 2007 to promote, implement, and facilitate the voluntary and secure electronic exchange of health information in Texas.¹ A 12-member Board of Directors appointed by the Governor of Texas, with the advice and consent of the Texas Senate, governs the Authority.²

In 2009, the U.S. Department of Health and Human Services announced the State Health Information Exchange (HIE) Cooperative Agreement Program, which was authorized under the Health Information Technology for Economic and Clinical Health (HITECH) Act, to fund state planning and implementation of electronic health information networks to support higher quality, safer, and more efficient health care. The program first required states to develop strategic and operational plans to guide the establishment and operation of electronic health information networks. States were then eligible for implementation funding following the development of strategic and operational plans.

The Texas Health and Human Services Commission (HHSC) submitted an application to the Office of the National Coordinator for Health Information Technology (ONC) for funding under the State HIE Cooperative Agreement Program. Under the application, the Authority was identified as the state-level entity responsible for implementing HIE in Texas, as referenced in Chapter 182 of the Texas Health & Safety Code. Following approval of the application in 2010, HHSC formally partnered with the Authority to complete development of the State HIE Plan to address several key issues, including governance, finance, technical infrastructure, business operations, privacy, and cybersecurity.

In 2011, the Texas Legislature, via House Bill 300 (2011, 82R), directed the Authority to establish a process by which a “covered entity,” as defined by the Texas Medical Records Privacy Act, may apply for certification of their past compliance with state and federal privacy and security standards.³ Today this program is known as “SECURETexas: Health Information Privacy and Security Certification.”⁴

In 2013, the Authority developed “HIETexas,” a shared services platform for statewide health information exchange. HIETexas was built to support statewide HIE connectivity, as well as HIE-to-state health data resources connectivity, and connectivity to the national eHealth Exchange, as well as other national networks and frameworks, such as CommonWell and Carequality.

As the State HIE Cooperative Agreement Program came to an end, Texas HHSC developed a Medicaid Implementation Advanced Planning Document (IAPD) to submit to The Centers for Medicare and Medicaid Services (CMS) to continue implementation of the State’s HIE Plan developed under the State’s HIE Cooperative Agreement Program. These IAPD funds are available to states for HIT and HIE projects through 2021.

¹ Section 182.051(1)(a), Health & Safety Code

² Section 182.053(a), Health & Safety Code

³ www.THSA.org/privacy-security-certification/

⁴ *Id.*

In May 2019, the Authority partnered with HHSC to provide HIE infrastructure for improved HIE connectivity, and an event notification system that supports care coordination use cases by providing a statewide platform to notify authorized healthcare entities of their patients' arrival at an emergency department. These use cases will help Texas Medicaid reduce utilization and hospital readmissions by enabling better follow-up care.

The Authority's board of directors conducted two public hearings in 2020 to discuss administrative business, as well as a public hearing to hear testimony regarding (1) the state privacy and cybersecurity in Texas, and (2) the state of interoperability in Texas.

2020 Activities

The Texas Health Services Authority (“the Authority”) is building a statewide network that facilitates exchange among healthcare stakeholders statewide, called “HIETexas,” to ensure a patient’s health information follows them regardless of where they receive treatment or where the information is stored.

HIETexas enables secure electronic exchange of patient data in near real time, which improves health outcomes, saves lives and reduces costs. At the heart of HIETexas is a strong security framework that protects patient data and ensures that patient preferences and privacy are respected. Through partnership with HHSC, the Authority continues to build an HIE network that supports the health care system in Texas and improves patient safety and quality of care.

Continued Partnership with HHSC

The Center for Medicare and Medicaid Services (CMS) approved the Texas Medicaid Health Information Exchange (HIE) Implementation Advanced Planning Document (IAPD) in follow up to Texas’s State HIE Plan, which now incorporates the Medicaid Health IT Strategic Plan. The most recent version of the IAPD provides support to local HIE activities, connectivity to HIETexas, the EDEN program, as well as PULSE. The IAPD includes three strategies:

Strategy 1: Medicaid Provider HIE Connectivity

This strategy helps Medicaid providers and hospitals connect to HHSC-approved local HIE organizations. These connections facilitate electronic reporting and data exchange between providers and Texas Medicaid, and MCOs, via HIETexas. Selected local HIE organizations must demonstrate technical readiness to establish connectivity capable of secure information exchange, and exchange of messages including HL7 Consolidated Clinical Document Architecture (C-CDA) Transition of Care (ToC) Documents, and Admission, Discharge, Transfer (ADT) data. Selected local HIE organizations require utilization of the Authority’s HIETexas to transmit C-CDA ToC Summaries to Medicaid from provider EHRs connected by this strategy.

Strategy 2: HIE Infrastructure

This strategy includes enhancing the state’s HIE infrastructure to support connectivity with the state’s Medicaid system and assisting entities in implementing connections to HIETexas. This funding will help alleviate a financial barrier to entities’ participation in the statewide network. Connections implemented under this strategy include the delivery of data from local HIEs participating in Strategy 1 seeking to forward this data to Medicaid and MCOs via HIETexas.

In 2020, the Authority built core data query services that enable HIETexas to obtain data from query-based sources, including all activities and capabilities required to deliver C-

CDA ToC Summaries and EDEN alerts. The Authority continues to build out this core data query service to include automated query functionality in 2021.

Strategy 3: Emergency Department Encounter Notifications (EDEN)

EDEN's method of implementation and governance benefits the entire healthcare community. This strategy supports care coordination use cases by providing a statewide platform to notify authorized healthcare entities of their patients' arrival at an emergency department (ED). These use cases will help Texas Medicaid reduce ED utilization and hospital readmissions by enabling better follow-up care. The electronic receipt of data from healthcare organizations and the publishing of alerts to Medicaid Managed Care Organizations (MCOs), Dental Maintenance Organizations (DMOs), Texas Medicaid and other authorized data recipients accomplishes this objective.

Patient Unified Lookup System for Emergencies (PULSE)

The Authority was originally created in response to the aftermath of Hurricane Katrina in 2006, when individuals receiving healthcare in shelters could not ascertain their medication histories to better inform care. Over a decade later, Hurricane Harvey reinforced the need for statewide HIE to support care for individuals displaced from their homes by allowing their health information to follow them wherever they go, including shelter locations.

PULSE is a web application that uses a standard browser on a tablet or laptop to securely obtain medical information for patients evacuated to temporary shelter locations such as a stadium, school or church. This allows an authorized emergency services registered volunteers, as well as authorized public health professionals, the ability to determine a patient's medical history from connected organizations, providing current medications, allergies and recent laboratory results.

During the 2020 hurricane season and in response to the COVID-19 pandemic, the Authority built out the first version of the HIETexas PULSE system. By the end of 2020, the Authority upgraded to the PULSE Enterprise Edition (PULSE EE). Both the first version of PULSE, and well as PULSE EE, include a feature known as "Emergency Census," which supports family reunification efforts during disasters. Through PULSE EE, Emergency Census users can upload a panel of missing persons to search for an individual, automatically and continuously, against Census View. If a missing person is admitted to the hospital or ED, has been checked in or out of an alternate care facility that uses PULSE EE, or has been discharged from a facility that participates in EDEN, the Emergency Census user will be notified in real-time.

ONC STAR HIE Cooperative Agreement (SANER Project)

The Authority was one of five awardees of a two-year cooperative agreement from the HHS Office of the National Coordinator for Health Information Technology (ONC) Strengthening the Technical Advancement and Readiness of Public Health Agencies via Health Information Exchange (STAR HIE) Program in September 2020. This initiative is known as the SANER Project, or Situational Awareness for Novel Epidemic Response. The Authority, in partnership

with HASA, a regional HIE covering multiple regions in Texas, a local hospital partner, and Audacious Inquiry, are conducting a proof-of-concept pilot to demonstrate real-time, automated exchange of hospital capacity and other situational awareness data through APIs using HL7 Fast Healthcare Interoperability Resources (FHIR). All parties will leverage their collective expertise to demonstrate how HIE services can better support public health departments and hospitals as they execute state and federal reporting requirements for the COVID-19 response. This improved functionality will not only simplify hospitals' public health reporting, but also support Texas DSHS, local health departments, emergency management agencies, and health care organizations across the state.

Update to the State Health Information Exchange Plan

At the Authority's August 2020 meeting, the board of directors voted to adopt the most recent version of the State Health Information Exchange (HIE) Plan. The original State HIE Plan was adopted in 2010 pursuant to approval by the Office of the National Coordinator for Health Information Technology (ONC). This plan identified the Authority as the state HIE operator based on the authority granted to it under Chapter 182, Texas Health and Safety Code. This plan did not have a time limit, but was primarily meant to guide the Authority's operations through the end of the State HIE Cooperative Agreement program in 2014.

At the end of the State HIE Cooperative Agreement program, the board adopted a supplement to the original 2010 version of the Plan. This supplement was based on a robust stakeholder feedback process that included varying stakeholders across the healthcare continuum. This supplement was meant to reflect changes to the HIE market since implementation of the original Plan.

The 2020 State HIE Plan is meant to create alignment with Texas Medicaid Health IT Strategic Plan, which was submitted to the Centers for Medicare and Medicaid Services (CMS) on March 31, 2020. The Health IT Strategic Plan is designed to implement capabilities complementary to Texas Medicaid and the State's Health IT ecosystem. As THSA plays an integral role in this underlying plan, the board voted to adopt this plan as part of the 2020 State HIE Plan. All versions of the State HIE Plan are now available on the THSA's website.

Analysis and Conclusion

The Texas Health Services Authority (“the Authority”) made significant progress in the past year to improve health information exchange (HIE) in Texas. In partnership with the Texas Health and Human Services Commission (HHSC), local HIEs, Medicaid Managed Care Organizations (MCOs), hospitals, health care providers and other state agencies, the Authority has implemented and made available an interoperable HIE infrastructure through EDEN. The Authority also launched and made available PULSE to protect displaced Texans by allowing their health information to follow them wherever they go, including shelter locations in times of disaster. Lastly, the Authority was an awardee of the ONC STAR HIE SANER Cooperative Agreement to offer pilot demonstrating HIE services that can better support public health departments and hospitals as they execute state and federal reporting requirements.

Attachment No. 6

Updated Privacy Policy and Procedures

Compliance with Information Blocking Rule

ARTICLE XX - ACCESS, EXCHANGE OR USE OF ELECTRONIC HEALTH INFORMATION

| Access, Exchange or Use of Electronic Health Information | | | | |
|---|--|--|------------------------|--|
| Texas Health Services Authority | | Privacy Policies & Procedures | | |
| Effective Date: <i>April 5, 2021</i> | Board of Directors Approval: <i>April 2, 2021</i> | Article: XX | Version: <i>1.0</i> | |

POLICY

The THSA shall make electronic health information (EHI) available and useable for authorized and permitted purposes in accordance with applicable law.

The purpose of HIETexas is to act as a “seamless electronic health information infrastructure to support the health care system in the state and to improve patient safety and quality of care.” The THSA maintains only a minimal amount of EHI in the form of demographic and administrative information.

To the extent that the THSA, through HIETexas, does disclose a minimal amount of EHI solely for its record locator service and log files, the THSA adheres to these policies and procedures on the access, exchange and use of EHI.

THSA is also implementing this policy to adhere to the 21st Century Cures Act Information Blocking Rule. The information contained in this policy regarding EHI will necessitate changes to THSA’s other policies regarding protected health information (PHI). Until such time that these changes are made, and to the extent that this policy conflict with THSA’s other policies regarding PHI, this policy controls.

DEFINITIONS

Electronic access: “Electronic access” means an internet-based method that makes EHI available at the time the EHI is requested and where no manual effort is required to fulfill the request.

Electronic health information: In the Final Rule, the ONC sought to align the definition of EHI with HIPAA’s electronic protected health information (EPHI) that would be included in a designated record set. Thus, electronic health information (EHI) means EPHI as defined in 45 CFR § 160.103 to the extent that it would be included in a designated record set as defined in 45 CFR § 164.501, regardless of whether the group of records are used or maintained by or for a covered entity as defined in 45 CFR § 160.103. However, EHI shall not include:

Psychotherapy notes as defined in 45 CFR § 164.501 (i.e., notes recorded in any medium) by a healthcare provider who is a mental health professional documenting or analyzing the contents of conversation during a private counseling session or a group, joint, or family

counseling session and that are separated from the rest of the individual's medical record);
or

Information compiled in reasonable anticipation of, or for use in, a civil, criminal, or administrative action or proceeding.

Healthcare provider: The Final Rule generally speaks in terms of “actors,” of which one type is a healthcare provider. Thus, this Policy uses the term healthcare providers for clarity. As can be seen in the definition below, the ONC finalized the very broad definition of healthcare provider established under the HITECH Act under section 3000(3) of the PHSA, which is distinct and generally broader than the HIPAA definition. The term “healthcare provider” includes a hospital, skilled nursing facility, nursing facility, home health entity or other long term care facility, healthcare clinic, community mental health center, renal dialysis facility, blood center, ambulatory surgical center, emergency medical services provider, Federally qualified health center, group practice, a pharmacist, a pharmacy, a laboratory, a physician, a practitioner, a provider operated by, or under contract with, the Indian Health Service or by an Indian tribe, tribal organization, or urban Indian organization, a rural health clinic, a covered entity under the 340B Drug Pricing Program, an ambulatory surgical center, and a therapist.

Information blocking: “Information blocking” by a health IT developer, health information network or health information exchange means a practice that (i) except as required by law or covered by an exception set forth in federal regulations, is likely to interfere with access, exchange, or use of EHI; and (ii) the developer, network or exchange knows, or should know, is likely to interfere with, prevent, or materially discourage access, exchange, or use of EHI.

Interoperability: “Interoperability,” with respect to health IT, means health IT that:

enables the secure exchange of EHI with, and use of EHI from, other health IT without special effort on the part of the user;

allows for complete access, exchange, and use of all electronically accessible health information for authorized use under applicable State or Federal law; and

does not constitute information blocking.

Interoperability element: “Interoperability element” means hardware, software, integrated technologies or related licenses, technical information, privileges, rights, intellectual property, upgrades, or services that: (1) may be necessary to access, exchange, or use EHI; and (2) is/are controlled by the covered component, which includes the ability to confer all rights and authorizations necessary to use the element to enable the access, exchange, or use of EHI.

PROCEDURES

The Final Rule defines and provides examples of information blocking. In addition, it outlines eight (8) detailed practices and activities that would not constitute information blocking even if they do in fact interfere with the access, exchange, or use of EHI. The Final Rule deems these

practices and activities reasonable and necessary to further the Act's goals, and refers to them as "exceptions."

The eight exceptions to information blocking fall into two categories, for each of which the ONC provides extensive descriptive material about requirements, standards, risks, and other illustrative information: (1) exceptions that involve *not fulfilling requests* to access, exchange, or use EHI and (2) exceptions that involve *procedures for fulfilling requests* to access, exchange, or use EHI.

A practice that does not meet the conditions of an exception will not automatically constitute information blocking; such practices will be evaluated by the ONC on a case-by-case basis to determine whether information blocking has occurred.

Below are the information blocking exceptions and their definitions, grouped in their two exceptions categories. Practices or activities that satisfy one or more of these eight exceptions, as applicable, will not be considered information blocking if all the criteria of the applicable exception(s) are strictly met. The requirements for each exception are detailed and comprehensive, and all requirements must be met for the applicable exception(s) to apply.

Five (5) exceptions allow not fulfilling requests to access, exchange, or use EHI:

1. **Preventing harm exception:** engaging in practices that are reasonable and necessary to prevent harm to a patient or another person, provided certain conditions are met (45 CFR § 171.201).
2. **Privacy exception:** not fulfilling a request to access, exchange, or use EHI in order to protect an individual's privacy, provided certain conditions are met (45 CFR § 171.202).
3. **Security exception:** interfering with the access, exchange, or use of EHI in order to protect the security of EHI, provided certain conditions are met (45 CFR § 171.203).
4. **Infeasibility exception:** not fulfilling a request to access, exchange, or use EHI due to the infeasibility of the request, provided certain conditions are met (45 CFR § 171.204).
5. **Health IT performance exception:** taking reasonable and necessary measures to make health IT temporarily unavailable or to degrade the health IT's performance for the benefit of the overall performance of the health IT, provided certain conditions are met (45 CFR § 171.205).

Three (3) exceptions involve procedures for fulfilling requests to access, exchange, or use EHI:

1. **Content and manner exception:** fulfilling a request to access, exchange, or use EHI in any manner requested or in an alternative manner, provided certain conditions are met, using (i) certified health IT specified by the requestor; (ii) content and transport standards specified by the requestor and published by the federal government or a standards-developing organization accredited by the American National Standards Institute; or (iii) an alternative machine-readable format, including the means to interpret the EHI, agreed upon with the requestor (45 CFR § 171.301). This exception both establishes the content a covered component must provide in response to a request to access, exchange, or use EHI in order to satisfy the exception, and establishes the manner in which a covered component must fulfill a request to access, exchange, or use EHI in order to satisfy this exception.

2. **Fees exception:** charging fees, including fees that result in a reasonable profit margin, for accessing, exchanging, or using EHI, provided certain conditions are met (45 CFR §171.302).
3. **Licensing exception:** licensing interoperability elements for EHI to be accessed, exchanged, or used, provided certain conditions are met (45 CFR §171.303).

THSA will satisfy each instance covered by this Policy through the following operational requirements:

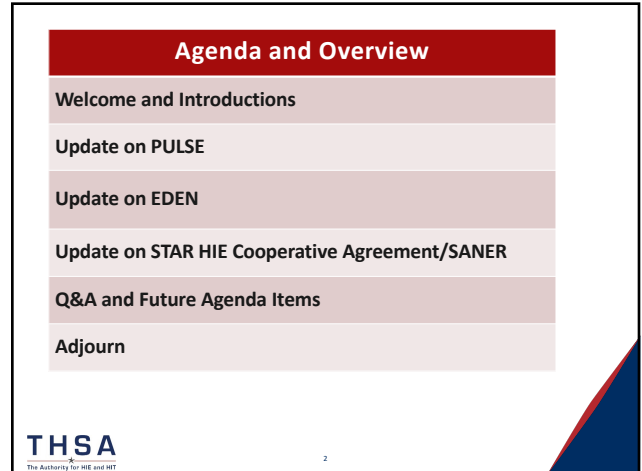
1. THSA will implement this Policy and appropriate specifications and procedures in accordance with its organizational process for Policy implementation, and will be particularly aware of the documentation requirements concerning time limits, availability, and review.
2. THSA will inform its workforce members about this Policy as it applies to HIETexas generally, to the appropriate covered component, and to the workforce members in their individual roles.
3. THSA will review existing policies and procedures for receiving, processing, and responding to requests to access, exchange, or use EHI and revise them as necessary to ensure compliance with federal information blocking requirements. Implementing this policy may require:
 - Coordination with health IT vendors to identify and implement (if not already in place) health IT solutions that the covered component uses or could use to support responses to access requests or otherwise comply with information blocking requirements;
 - Not charging fees to individuals (or persons or entities that they designate) who request electronic access to their EHI through internet-based methods, such as personal health apps, standalone/untethered personal health records, and email;
 - Ensuring that for fees charged to individuals (or persons or entities that they designate) who request their EHI in physical media (such as paper copies), CD, or flash drive formats, such fees comply with the requirements for reasonable, cost-based fees under HIPAA;
 - Review of any other fees charged for EHI access, exchange or use to ensure compliance with information blocking requirements;
 - Review of data use and other agreements governing the sharing of EHI to ensure compliance with information blocking requirements;
 - Conducting an inventory of how the covered component's EHI is stored and transmitted; and
 - Developing policies and procedures for responding to requests for EHI from patients, providers, third-party apps, health IT vendors, and others. This may include creating forms for receiving, processing, and responding to such requests and procedures specifying how access to EHI may be provided.
4. If this Policy requires an action, activity, or assessment to be documented, the THSA will maintain a written record of the action, activity, or assessment and will retain such documentation for six (6) years from the date of its creation or the date when it was last in effect, whichever is later.
5. THSA will make such documentation available as appropriate to workforce members who are responsible for implementing the procedures to which the documentation pertains.

Attachment No. 7

Meeting Materials from the January 26, 2021 Collaboration Council Meeting



1



2



3



4

PULSE Use Case #1- Treatment in Alternate Care Sites

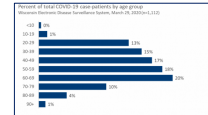
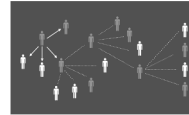
- In disasters, patients often seek care outside of their routine health care settings
 - Shelters, quarantine sites, vaccination clinics, etc.
- Using PULSE, clinical providers in alternate care settings can access health and medication history



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PULSE Use Case #2: Case Augmentation & Public Health Outreach



- During a public health emergency, public health authorities can:
 - Search for patients with infectious disease diagnoses to fill in demographic gaps and identify household members to facilitate outreach and contact tracing strategies.
 - Retrieve clinical documents for a patient with confirmed infectious disease to understand healthcare encounters, comorbidities, medications and other information relevant to epidemiological assessment of the disease.

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Update on PULSE

| HITexas Service | Status |
|---|--|
| Patient Unified Lookup System for Emergencies (PULSE) | Now live with second generation of PULSE |
| <ul style="list-style-type: none"> • Current status: <ul style="list-style-type: none"> • PULSE Version 1 went live and was ready for use as of Sept. 9, 2020. • Deployment was completed on schedule. • PULSE Version 2 went live Jan. 21, 2021 (ahead of schedule). • Next steps: <ul style="list-style-type: none"> • Offering training and drills, • Deploy additional connectivity, • Working with the state and their disaster response contractors, • Offering PULSE to currently active physicians in Texas, and • Deploy two updated versions in 2021. | |

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Texas PULSE Coverage (via eHealth Exchange, Carequality, etc.)



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How You Can Get Involved?

- The THSA is establishing a **PULSE Governance Work Group**
- Potential topics include:
 - Data privacy and security
 - Processes (e.g. activation, end-user identity verification, care workflow)
 - Identification of any policy barriers we need to proactively address
 - Patient consent considerations
 - Other governance topics brought forth by members
- Quarterly meetings to take place in advance of Collaboration Council meetings
- Please email PULSE@thsa.org if you want to get involved!

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Update on EDEN

10

Update on EDEN Project

| HIETexas Service | Status |
|--|--|
| Emergency Department Encounter Notification (EDEN) | Building interfaces to local HIEs, hospitals, and providers. |
| <ul style="list-style-type: none">• Current status:<ul style="list-style-type: none">• Live and in production now.• Establishes basic "push" HIETexas infrastructure to send data to authorized subscribers.• Automated query functionality now complete; developing use cases.• Next steps:<ul style="list-style-type: none">• Adding additional capacity for increased number of connections.• More data will be available to authorized subscribers for covered persons.• Reminder: CMS e-Notification CoP compliance deadline is April 30th! | |

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Update on STAR HIE Cooperative Agreement/ SANER Project

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Update on STAR HIE/SANER

| HIETexas Service | Status |
|---|--|
| Strengthening the Technical Advancement and Readiness of Public Health via HIE (STAR HIE) | THSA, with sub-awards to AI and HASA, was recently awarded the ONC STAR HIE cooperative agreement. |
| <ul style="list-style-type: none"> • Purpose: <ul style="list-style-type: none"> • Allow automated collection of situational awareness data (open ICU beds, ventilators, etc.) from Texas hospitals using FHIR standard. • Data feeds into a dashboard to be viewed by relevant public health entities. • Progress to date: <ul style="list-style-type: none"> • Recently started two workgroups – policy advisory group (PAG) and technical advisory group (TAG). • Project recently expanded to include vaccination data (more on next slide) • Next steps: <ul style="list-style-type: none"> • Detailed project work plan has been submitted to ONC. • Upcoming presentations at HIMSS, PHP Summit and Health Datapalooza. | |

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Update on STAR HIE/SANER

- The STAR HIE Cooperative Agreement recently expanded to "improve COVID-19 vaccination data by connecting immunization information systems (IISs) to Health Information Exchanges (HIEs). The funding seeks to better align HIEs with public health and leverage the extensive amount of clinical data held by HIEs to support enhanced knowledge sharing around the COVID-19 vaccinations."
- "Services or functionalities will be deployed to enable, enhance or increase the use of health information exchange among relevant entities, including providers who care for vulnerable or at-risk populations. Such services and functions will need to address communities disproportionately impacted by the COVID-19 pandemic, including as it relates to the stratifying factors of age, race, ethnicity and sex."

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Update on STAR HIE/SANER

- Each of the HIEs that originally applied for the STAR HIE cooperative agreement were asked to participate in this new expanded program, which now includes two additional Texas-based HIEs:
 - Rio Grande Valley Health Information Exchange (RGV HIE); and
 - Greater Houston Healthconnect (GHH).
- THSA will not directly participate in the data aspects in this expanded part of the project, but will instead act as a fiscal agent for HASA and Audacious Inquiry.

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Questions?

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**Future Agenda
Items?**

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Adjourn

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Attachment No. 8

Acronym List

HEALTHCARE INFORMATION TECHNOLOGY ACRONYMS

- **ACO** – Accountable care organization
- **ADT** – Admission/Discharge/Transfer messages
- **ARRA** – American Recovery and Reinvestment Act
- **BA** – Business associate
- **BAA** – Business Associate Agreement
- **C-CCD** – Continuity of Care Document (CCR + CDA became CCD)
- **C-CDA** – Consolidated Clinical Document Architecture
- **CCR** – Continuity of Care Record; similar in content to a C-CCD
- **CDR** – Clinical Data Repository
- **CE** – Covered entity
- **CHC** – Community Health Center
- **CIO** – Chief Information Officer
- **CISO** – Chief Information Security Officer
- **CMIO** – Chief Medical Information/Informatics Officer
- **CMS** – Centers for Medicare & Medicaid Services; federal agency
- **CPOE** – Computerized physician order entry; orders entered/given electronically
- **CSO** – Chief Security Officer
- **CTO** – Chief Technology Officer
- **DSHS** – Texas Department of State Health Services; public health agency
- **EDEN** – Emergency Department Encounter Notification
- **EH** – Eligible Hospital
- **EP** – Eligible Professional
- **eHEX** – eHealth Exchange; a national HIE network
- **EHR** – Electronic health record
- **ELR** – Electronic Lab Reporting
- **EMR** – Electronic medical record; generally used interchangeably with EHR
- **FACA** – Federal Advisory Committee Act
- **FQHC** – Federally Qualified Health Center; a specific kind of community health center
- **FTP** – File Transport Protocol
- **GHH** – Greater Houston Healthconnect
- **HASA** – Healthcare Access San Antonio
- **HHS** – Department of Health and Human Services; federal agency
- **HHSC** – Texas Health and Human Services Commission
- **HIE** – Health information exchange; generally used interchangeably with HIO
- **HIO** – Health information organization; generally used interchangeably with HIE
- **HIMSS** – Healthcare Information Management Systems Society
- **HIPAA** – Health Insurance Portability and Accountability Act of 1996
- **HISP** – Health information service provider

- **HIT** – Health information technology
- **HITECH** – Health Information Technology for Economic and Clinical Health Act
- **HL7** – Health Level 7; non-profit standards developing organization
- **IAPD** – Implementation Advance Planning Document
- **ICC** – Integrated Care Collaboration
- **ICD-10** – International Classification of Diseases, 10th Revision
- **ISO** – International Standards Organization
- **MACRA** – Medicare Access and CHIP Reauthorization Act of 2015
- **MIPS** – Merit-Based Incentive Payment System
- **MU** – Meaningful Use
- **OCR** – HHS Office for Civil Rights; enforces HIPAA
- **ONC** – Office of the National Coordinator for Health Information Technology
- **P4P** – Pay for performance; quality performance payment model
- **PDMP** – Prescription Drug Monitoring Program
- **PdN** – Paso del Norte HIE; (now known as “PHIX”)
- **PHI** – protected health information
- **PHR** – Personal Health Record
- **PIA** – Texas Public Information Act
- **PULSE** – Patient Unified Lookup System for Emergencies
- **RFA** – Request for Applications
- **RFI** – Request for Information
- **RFP** – Request for Proposals
- **RFQ** – Request for Qualifications
- **RGV HIE** – Rio Grande Valley Health Information Exchange
- **SAMHSA** – Substance Abuse and Mental Health Services Administration
- **SAML** – Security Assertion Markup Language
- **SANER** – Situational Awareness for Novel Epidemic Response Program
- **sFTP** – Secure File Transport Protocol
- **SOAP** – Simple Object Access Protocol
- **SOW** – Statement of Work
- **STAR HIE** – Strengthening the Technical Advancement and Readiness of Public Health Agencies via Health Information Exchange Cooperative Agreement Program
- **THA** – Texas Hospital Association
- **TMA** – Texas Medical Association
- **VHA** – Veterans Health Administration
- **XML** – Extensible Markup Language

Attachment No. 9

List of Disclosed Interests

THSA LIST OF INTERESTS

| Name | Interests |
|-------------------------|---|
| Shannon Calhoun | None |
| Paula Anthony-McMann | <ul style="list-style-type: none"> Healthcare Information Management Systems Society – member Academy of Human Resource Development – member American College of Healthcare Executives – fellow Texas Hospital Association Foundation – board member Syndeti, LLC – President (UT Health East Texas is a current client) Next Wave Health Advisors – Contract Consultant The University of Texas at Tyler – Adjunct Faculty |
| Carlos Vital | <ul style="list-style-type: none"> Member of Texas Medical Association Member of Harris County Medical Society Member of Greater Houston Allergy & Immunology Society Member of South Texas Independent Allergy Member of Houston Medical Forum Member of National Medical Association Assistant Clinical Professor at Texas A&M Medical School Houston, TX Xolair Speaker for Genentech, Compensated Fellow, AAAAI Fellow, ACAAI |
| Emily Hartmann | <ul style="list-style-type: none"> Paso del Norte Health Information Exchange – Employee HIMSS Lubbock Chapter – President of Board of Directors Strategic HIE Collaborative (SHIEC) – PHIX is a member eHealth Exchange – PHIX is a Participant Texas Tech University Health Sciences Center El Paso – Spouse and Mother are employees |
| Jeff Hoogheem | None |
| Jerome Lisk | <ul style="list-style-type: none"> Texas Medical Association American Academy of Neurology University of Texas Health Science Center at Tyler Christus Trinity Mother Frances Hospital |
| Kenneth James | <ul style="list-style-type: none"> Texas Association of Health Plans – member through Superior |
| Leticia Rodriguez | None |
| Siobhan Shahan | None |
| Jonathan Sandstrum Hill | None |
| Calvin Green | None listed |
| Lourdes Cuellar | None listed |
| Victoria Bryant | None listed |

| | |
|-----------------|--|
| Salil Deshpande | <ul style="list-style-type: none"> • Member of American Medical Association; American College of Physicians; Harris County Medical Society; Texas Medical Association • Member of Statewide Health Coordinating Council; Texas Health and Human Services Commission's Medical Care Advisory Committee, Drug Utilization Review Board, and e-Health Advisory Committee • Member of the Board of Directors of: Greater Houston Area March of Dimes; The Living Bank; UnitedHealthcare of Texas • Employed by UnitedHealthcare, which has contractual relationships with Texas-based Health Information Exchanges |
|-----------------|--|

| STAFF MEMBER INTERESTS | |
|------------------------|---|
| Name | Interests |
| George Gooch | <ul style="list-style-type: none"> • Health Care Compliance Association – Member • International Association of Privacy Professionals – Member • HHSC eHealth Advisory Committee – Chair |
| Eric Heflin | <ul style="list-style-type: none"> • Sequoia Project – employee/CTO and CIO • IHE USA – Board member • IHE International – former board member |
| Annie Nabers | None |

TEXAS HEALTH SERVICES AUTHORITY

STAKEHOLDER INTERESTS

Pursuant to Section 182.053, Health & Safety Code, the governor shall appoint individuals representing the following stakeholder groups to the THSA board of directors:

- Texas local health information exchanges
- Consumers
- Clinical laboratories
- Health benefit plans
- Hospitals
- Regional health information exchange initiatives
- Pharmacies
- Physicians
- Rural health providers
- Any other area the governor finds necessary

Below are the larger healthcare/technology trade associations in the state that many of the above-referenced board members are affiliated with.

| Entity | Policies that relate to “THSA or statewide HIE”? |
|---|---|
| Texas Hospital Association (THA) | None |
| Texas Medical Association (TMA) | “19. State support for HIE is important. However, state government's primary role should be to foster coordination of HIE efforts, including providing access to funding or other financial incentives that promote the adoption of health information technologies. 20. TMA physicians should support partnerships with nongovernmental entities developing HIE solutions with minimal mandates, but only where it leads to physicians' stewardship of the data they produce, and patients' control over data that may identify them (CPMS Rep. 3-A-07).” |
| Texas Association of Health Plans (TAHP) | None |
| Texas Association of Health Information Organizations (TAHIO) | None |

| | |
|---|---|
| Texas Organization of Rural & Community Hospitals (TORCH) | None |
| Texas eHealth Alliance (TeHA) | <p>“Priority #4- Adoption, Regulation, Oversight, and Coordination of Healthcare IT. We support legislation that enables the efficiencies of free-market forces constrained only by appropriate privacy and confidentiality considerations to promote quality of care and/or reduce cost of care. This specifically includes support for:</p> <ul style="list-style-type: none"> -The mission of the Texas Health Services Authority: to promote and coordinate the development of a seamless electronic health information infrastructure to improve the quality, safety, and efficiency of the Texas health care sector while protecting individual privacy. -Legislation that removes statutory barriers to, or promotes and develops, the widespread adoption of HIE, e-prescribe and electronic medical records. This includes information technology systems at HHS agencies that interface with provider systems using nationally recognized standards to facilitate data sharing, as well as appropriate program and data analysis. -Legislation that encourages the HHS agencies to be full participants in state level health information exchange activities and actively seek opportunities to improve their programs and infrastructure through HIE. -Legislation that encourages innovation in health care service delivery, shortens the time to implementation of new technology-supported approaches to program management, and enables the ability of digital tools to support value-based purchasing.” |