

December 10, 2009

Ann S. Torregrossa, Director
Governor's Office of Health Care Reform
4th Floor Forum Building
Harrisburg, PA 17120

Dear Ms. Torregrossa:

I have read with interest your November 2009 Proposed Strategic Plan for the Pennsylvania Health Information Exchange and I join with others in expressing my concern with the proposed implementation of this plan. As chairman of the Senate Communications & Technology Committee, I believe it is essential that the Commonwealth conduct its business in a fair, open, and transparent manner.

Of specific concern is the report's 6.4 Technical Infrastructure Recommendations (page 39): "It is recommended that Pennsylvania enter into an intergovernmental agreement with Delaware to piggyback on DHIN's existing contract for a proven technical platform which is based on interoperable standards." I would like to know how this recommendation is to be justified under the Commonwealth Procurement Code (Act 57 of 1998).

My office has received numerous complaints over the announcement to hire or otherwise contract with the Delaware Health Information Network and its vendor, Medicity. While few have questioned Medicity's qualifications, almost everyone is questioning the process for selecting them – especially when there are so many other IT companies that might be as qualified or even more qualified. Sole source contracts typically generate these kinds of questions. There are also some concerns Pennsylvania may set a precedent for other states if Medicity is chosen – especially since Delaware's and Pennsylvania's IT needs are different.

If a vendor has indeed been chosen, I would like to know why the decision was made before the end of the 30-day review period for the strategic plan.

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According to your November 30th press release, “Up to \$17 Million in federal stimulus funding is available to help pay for the necessary infrastructure.” How have (or will) these moneys be obtained? What was the process that was used to obtain required approval(s)? Who established the budget and how was it developed?

I would also like information on the proposed tax of the report’s 5.4 Finance Recommendations (page 32): “Legislation is needed to enact a very small assessment on all medical claims paid by insurers that will be dedicated to PHIX implementation and ongoing operations.” Specifically, I would like a justification for this assessment, methods of assessment, and estimated revenues to be raised from such an assessment.

Recently, the Senate Communications & Technology Committee heard from Department of General Services Secretary Creedon on various technology procurement contracts. I believe all IT procurements should adhere to this process – including the Governor’s Office for Health Care Reform. This would ensure the bid process is open and/or follows Invitation to Qualify procedures. This is especially important when ARRA stimulus moneys are used.

I look forward to a timely reply on these important issues. In the interim, thank you for your time and attention to my request for information.

Sincerely,

MIKE FOLMER

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