

February 2, 2010

TO: All Senators

FROM: Mike Folmer
John Wozniak

SUBJECT: Bill Sponsorship: Pennsylvania Health Information Exchange (PXIX)

By the end of the week, we plan to introduce legislation to require an open and transparent bid process to implement the Pennsylvania Health Information Exchange (PHIX) pursuant to the American Recovery and Reinvestment Act of 2009.

Last week, our Committee held a public hearing on implementation of PHIX: <http://www.senatorfolmer.com/communications/2010/012710/agenda.htm>. The feedback we received has been unanimously supportive of an open bidding process, with the exception of the Office of Health Care Reform.

The Rendell Administration has proposed that Pennsylvania enter into a no-bid intergovernmental agreement with the State of Delaware to piggyback onto the Delaware Health Information Network and its existing contract with a private vendor.

Our legislation would require the Administration to issue a Request For Proposals in accordance with the Pennsylvania Procurement Code. All vendors would be allowed to bid and a review panel would award the contract to the responding bidder that offers the best value to the Commonwealth and to health care providers across the Commonwealth.

The Pennsylvania Health Information Exchange would both enable physicians, hospitals, health organizations, insurers, and other providers to share health information and medical records. Such a system would reduce medical errors and reduce the cost of health care. However, such a system will cost far more than the funding being made available under ARRA. Therefore, we need to go the extra mile to ensure that the system is affordable and has long-range sustainability.

We believe signing a contract with Delaware without comparing that system to other proposals does not ensure the best interests of the Commonwealth and its taxpayers.

If you would like to cosponsor this bill, please contact Needy Beigh: nbeigh@pasen.gov or 787-5708.