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For immediate release

**CalRHIO Selects RAND-USC to Evaluate Savings
Resulting from Use of Statewide Health Information Exchange**

California emergency departments first sites for savings measurement

San Francisco, CA (June 29, 2009) CalRHIO announced today that it has selected the RAND Corporation and the University of Southern California to measure savings resulting from physicians having secure electronic access to critical patient information through CalRHIO's statewide Health Information Exchange (HIE). The first phase of the initiative will measure savings in emergency departments.

“CalRHIO's goal is to improve patient safety and reduce costly avoidable or duplicate services by making it possible for physicians to electronically access patients' medical information when and where they need it for care decisions – in the hospital, clinic, physician office, nursing home, or other location,” said Molly Coye, MD, MPH, CalRHIO Board Chair. “Studies to date on savings from electronic health information exchange are encouraging, but limited. We are delighted to partner with RAND and USC to expand the base of knowledge, not only for CalRHIO, but for national, state, and local policymakers. The experience and reputations of the RAND-USC researchers lend an enormous amount of credibility to this pioneering effort.”

CalRHIO, California's statewide health information exchange initiative, selected RAND-USC following a competitive RFP process that involved review by national HIE experts. The RAND-USC team's approach draws on models and methods developed by both organizations -- RAND as part of its ongoing national study of health IT, and USC as part of its ongoing study of the operations and economics of hospital-based emergency departments in California.

“The CalRHIO HIE is on the forefront of national efforts to use information technology to improve both the quality and efficiency with which care is delivered to patients. Providing emergency department physicians with access to real-time patient information through the statewide health information exchange is critical to improving decision making to ensure the right care is delivered” said Cheryl Damberg, PhD, RAND principal investigator. “Because CalRHIO represents the largest implementation of an information exchange in the United States, our assessment of how the HIE affects the use of services and hospital admissions will make a

significant contribution towards demonstrating the extent to which health IT systems can deliver savings.”

CalRHIO has developed a sustainable business model that includes a “shared savings” strategy, premised on the expectation that HIE will create savings for health plans and that a portion of those savings provide CalRHIO a stable ongoing source of self-funding for HIE. In the emergency department, better information on the patient’s medical history is expected to help physicians avoid unnecessary tests and admissions and more efficiently prescribe medications. To determine savings, the RAND/USC researchers will conduct baseline measures for each participating health plan before HIE is implemented and after the system has been in use. De-identified findings will be published in peer-reviewed journals to inform other HIE efforts around the country.

“Emergency departments provide perhaps the most compelling case for both quality gains and cost reductions in health information exchange,” said Glenn Melnick, PhD, USC Senior Advisor. “Our previous research found that California emergency departments are busier than their counterparts nationally and their patients are sicker. HIE has the potential to greatly improve care in the emergency department and, through better communication, help primary care physicians manage patients long-term. We are very excited to be associated with this critical project.”

About CalRHIO: CalRHIO is a 501(c)(3) organization that provides statewide health information exchange services to local communities throughout California. For more information about CalRHIO see www.calrhio.org.

About RAND: The RAND Corporation is a nonprofit research organization providing objective analysis and effective solutions that address the challenges facing the public and private sectors around the world.

About USC: Located in the heart of Los Angeles, the University of Southern California is one of the world’s leading private research universities.