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Proposed Health Data Utility Faces Scrutiny as Senators Question $1.8M Cost and Surcharge Hike

Bill 36-0228 would establish an autonomous Health Data Utility to oversee the territory's Health Information Exchange, with supporters citing improved data sharing and critics questioning costs, board structure, and a proposed surcharge increase.

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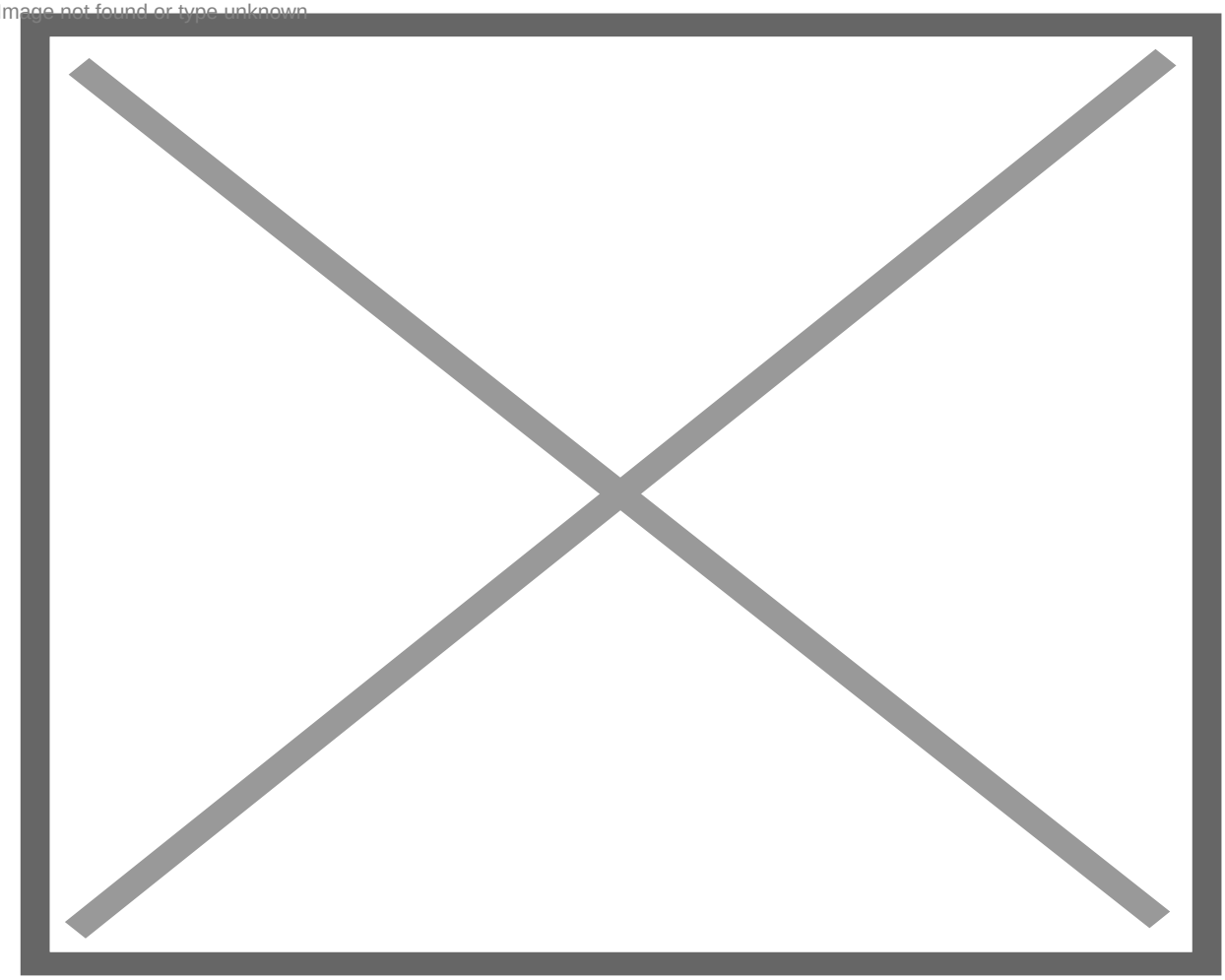

Lawmakers are weighing whether to create a new governing body to oversee and sustain the Virgin Islands' health data infrastructure, as Bill 36-0228 advances through the 36th Legislature amid support from healthcare stakeholders and concerns from senators about cost, governance, and funding sources.

The measure, heard Monday in the Committee of the Whole, would establish the Virgin Islands Health Data Utility (HDU), an entity designed to oversee and operate a territory-wide Health Information Exchange (HIE). According to testimony, the bill seeks to modernize data sharing across individual practices, institutional healthcare settings, and social service organizations by advancing data sharing infrastructure, simplifying reporting, enhancing data visualization, and improving traditional clinical data exchange.

Michelle Francis, executive director of the Office of Health Information Technology (OHIT) in the Office of the Governor, described the legislation as "straightforward and transformational."

Bill 36-0228, she said, would create the HDU and provide an "independent body the governance, legal authority, and funding structure" needed to "move from fragmented information silos to a coordinated, territory-wide health data backbone."

Ms. Francis argued that the HDU is necessary to govern the existing Health Information Exchange, which currently operates on a limited scale in the territory. The HIE is intended to streamline the transfer of medical information between healthcare providers. She cited examples of patients having to recall details of prior medical visits, list medications from memory, or repeat lab work when records cannot be located.

"The current fragmentation that exists is not just inconvenient, it is costly and dangerous," she said, describing the HIE as a "modern system for sharing clinical data." The Exchange allows for "secure" and real-time sharing of information such as imaging, diagnoses, hospital encounters, and clinical notes.

According to Ms. Francis' testimony, "national studies consistently show that HIEs deliver measurable financial and clinical benefits." She said the greatest savings are expected to come from "reducing administrative waste."

Based on "national research" and local data, she added, "the Virgin Islands can no longer afford to not implement a fully functional Health Information Exchange governed by a sustainable, transparent Health Data Utility."

Under the bill, the HDU would be established as an "autonomous public-benefit, non-profit corporation and government instrumentality governed by a 12-member board." Proposed members include representatives from OHIT, the Commissioners of Health and Human Services, both public hospitals, both federally qualified health centers, the Bureau of Information Technology, and members of the public.

The HDU would operate the HIE and related digital infrastructure. Among its responsibilities, according to Ms. Francis' testimony, would be to "enable authorized clinicians to securely access patient information for treatment and care coordination under HIPAA and the 21st Century Cures Act/TEFCA." She emphasized patient protections, including the ability to opt out of the HIE "except for mandatory public-health or other legally required reporting."

OHIT estimates that operating the HDU could cost up to $1.8 million annually.

To fund the entity, Bill 36-0228 authorizes the HDU to accept grants, gifts, and pledges, and to charge "nominal participant fees" to healthcare providers. The bill also allocates a one-time $300,000 appropriation from American Rescue Plan Act funds for implementation. Additionally, it requires that the current CRISP Shared Services HIE contract, along with "all current and future HIE-related funds," be transferred from the Department of Human Services to the HDU.

A central point of debate involved a proposed increase to the emergency services surcharge, raising it from $2.00 to $2.50 and allocating “20% of its proceeds to the HDU.” Ms. Francis said the adjustment “creates a dedicated, recurring revenue stream,” with estimates that the surcharge could generate up to $900,000 annually.

Senator Novelle Francis, who previously sponsored legislation to raise the surcharge from $1.00 to $2.00, expressed reservations.

“I still have the scars to show for it, so I don't know who gonna sign on to moving it to $2.50, but it's not going to be an easy lift.”

Senator Ray Fonseca took a firm position against the increase.

“There’s no way in the world, I'm going to put another $900,000 on emergency bills of the people of the Virgin Islands. I can't support that.”

The proposed reallocation would reduce the share currently distributed to entities that benefit from the surcharge. Senator Francis said it would be prudent to “determine what that impact will be” before making a decision. Senator Kurt Vialet noted the shift in allocations: “10% was before for Fire [and] Emergency Services, it's down to 8%. The hospitals were 15%. It's down to 12%. So it's a decrease.”

Taetia Phillips-Dorsett, assistant commissioner in the Department of Human Services, explained that those who drafted the bill sought to present lawmakers with a funding proposal rather than impose “unfunded mandates.”

Senator Vialet remained unconvinced. “You carve that 20% out, but you never had any discussion with any of the entities who you are reducing the amount that they were getting before,” he said.

Currently, the territory’s two federally qualified health centers are connected to the HIE, while the public hospitals remain in a testing phase due to recent cyber attacks.

Senator Vialet urged lawmakers to prioritize implementation of the HIE before establishing a separate governing body.

“Get a Health Information Exchange, first of all, running and then come before this body, and let's do the HDU,” he advised.

Senator Hubert Frederick agreed, saying the HIE should be fully operational before “adding an oversight arm.” He added, “we don't know what it's going to cost us, and we're not in the position to guess right now.”

Lawmakers also questioned the size and composition of the proposed 12-member board, and whether the HIE could instead be housed within an existing department or within the Office of the Governor.

In response, Ms. Francis argued that the HDU “creates a neutral space that is not dependent on or subject to…the highs and lows of an election cycle.”

Committee members have until the next Legislative session to determine whether to advance Bill 36-0228.

“It is clear that we do need this bill to pass, but in its current form, it needs some adjusting,” Senator Marvin Blyden said.

Dr. Tess Richards, medical director and executive director at St. Thomas East End Medical Center, urged approval of the measure. Without it, she said, the territory risks putting “the proverbial cart before the horse.”

“The cart being the HIE, the tool that we can fill up and take all of our goods from one place to the other, and the horse being that HDU that's guiding and navigating and taking it where it needs to go,” she explained.