



Leveraging TEFCA

for California's Data Exchange Framework – Primer

INTRODUCTION

California's Data Exchange Framework (DxF) allows participants to use any health information exchange network, health information organization, or technology to share required health and social services information (HSSI), as long as it complies with DxF standards and policies.¹ This primer explores how the Trusted Exchange Framework and Common Agreement (TEFCA) may be leveraged as a potential data exchange mechanism to support the obligations under DxF. It provides a high-level overview of TEFCA and its operational requirements and highlights key areas where DxF participants may wish to evaluate for their utility in meeting the DxF requirements.

WHAT IS TEFCA

TEFCA is a federal initiative that operates as a nationwide framework for health information sharing.² Authorized by the 21st Century Cures Act in 2016, and created by the Office of the Assistant Secretary for Technology Policy (ASTP) and the Office of the National Coordinator for Health IT (ONC) within the U.S. Department of Health and Human Services (HHS), TEFCA's mission is "to remove barriers for sharing health records electronically among healthcare providers, patients, public health agencies, and payers."³

To operationalize TEFCA, ASTP/ONC contracts with the Sequoia Project, a nonprofit organization, as the Recognized Coordinating Entity (RCE)⁴ to develop and maintain the Common Agreement.⁵ The Common Agreement is a legal contract that sets the legal and technical obligations for Qualified Health Information Networks (QHINs), which are health information organizations that apply to be designated by the RCA to facilitate nationwide

¹ California Health and Safety Code §130290

² <https://www.healthit.gov/topic/interoperability/policy/trusted-exchange-framework-and-common-agreement-tefca>

³ Id.

⁴ <https://rce.sequoiaproject.org/rce/>

⁵ https://www.healthit.gov/sites/default/files/2024-11/Common_Agreement_2.1.pdf

data exchange within TEFCA. The RCE, by contract, monitors QHINs' compliance with the Common Agreement requirements.⁶

Operational since late 2023⁷, TEFCA is intended to create a “network of networks”⁸ that connects all the healthcare entities nationwide through a “single on-ramp” with focus on the exchange of health information from clinical settings, public health purposes, and government benefits determinations, and as a way for individuals to access their own health information.⁹

As a federal initiative, TEFCA seeks to be the “universal floor” for nationwide interoperability.¹⁰ California’s Department of Health and Human Services (CalHHS) has developed its Data Sharing Agreement (DSA) and associated Policies and Procedures (P&Ps) with a perspective towards leveraging TEFCA by minimizing conflicts between TEFCA’s policies, standards, and technical infrastructure to meet California’s unique data-sharing requirements under law.¹¹

HOW TEFCA WORKS

QHINs form the backbone of nationwide connectivity under TEFCA.¹² To become a QHIN, candidates are required to undergo rigorous technology and security testing and conform to the terms in the Common Agreement.¹³ Once designated, QHINs can exchange health information with other QHINs, enabling any organization participating in a QHIN to request and receive data from participants of other QHINs. This framework allows the participants and their subparticipants to share health information seamlessly, regardless of which QHINs they belong to. (See figure 1)¹⁴ Currently, there are [eight QHINs](#) participating in TEFCA, with more [candidates](#) in the pipeline.

⁶ <https://www.healthit.gov/topic/interoperability/policy/trusted-exchange-framework-and-common-agreement-tefca>

⁷ <https://sequoiaproject.org/onc-and-the-sequoia-project-designate-first-tefca-qhins/>

⁸ <https://www.naccho.org/blog/articles/tefca-ver-2.1-published>

⁹ <https://www.healthit.gov/topic/interoperability/policy/trusted-exchange-framework-and-common-agreement-tefca>

¹⁰ https://www.healthaffairs.org/content/forefront/accelerating-exchange-health-and-human-services-data-improve-outcomes-and-disrupt?utm_medium=social&utm_source=linkedin&utm_campaign=forefront&utm_content=tripathi

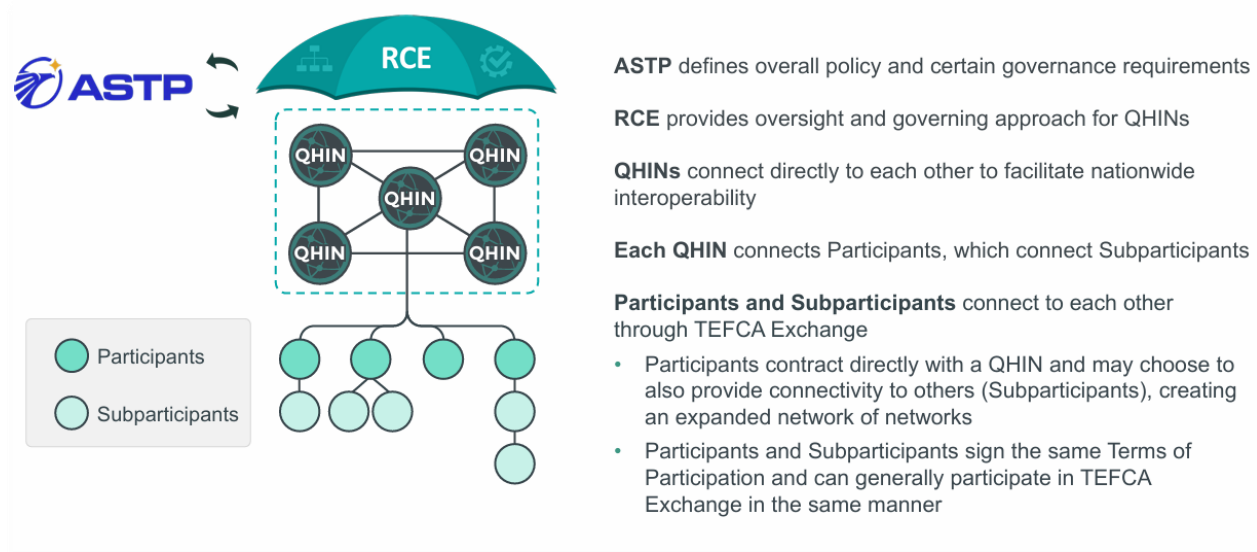
¹¹ Id.

¹² <https://www.healthit.gov/topic/interoperability/policy/trusted-exchange-framework-and-common-agreement-tefca>

¹³ <https://rce.sequoiaproject.org/qhin-process/>

¹⁴ Figure 1 from ASTP/ONC website - <https://www.healthit.gov/topic/interoperability/policy/trusted-exchange-framework-and-common-agreement-tefca>

(Figure 1)



TEFCA RULES OF ENGAGEMENT: THE COMMON AGREEMENT AND TERMS OF PARTICIPATION (ToP)

As a central component of TEFCA, the Common Agreement is a legally binding document that obligates the QHINs around a common set of legal and technical requirements to ensure the secure, standardized, and efficient exchange of health data across different networks. In late 2024, the Common Agreement version 2.1 (CA 2.1)¹⁵ was published with additional legal and technical terms along with a mandate for QHINs to incorporate much of CA 2.1 requirements in their participant contracts as outlined in the Terms of Participation (ToP).¹⁶ ToPs provide the rules and obligations that participants and their subparticipants must follow to use a QHIN to exchange health information via TEFCA.¹⁷ The RCE also develops standard operating procedures (SOPs), which provide additional guidance around the CA 2.1 and ToP requirements.¹⁸

Some of the key provisions in TEFCA for both QHINs and their participants and their subparticipants (unless noted) include:

¹⁵ https://www.healthit.gov/sites/default/files/2024-11/Common_Agreement_2.1.pdf

¹⁶ https://rce.sequoiaproject.org/wp-content/uploads/2024/05/Common-Agreement-v2.0-Exhibit-1_508.pdf

¹⁷ <https://rce.sequoiaproject.org/common-agreement/>

¹⁸ <https://rce.sequoiaproject.org/tefca-and-rce-resources/>

- **Exchange Purposes:** Provides permissible use and exchange of health data, which are currently limited to data exchange for the purposes of treatment (including TEFCA Required Treatment data set), payment, and most health care operations (TPO), public health, individual access, and government benefit determinations. TEFCA currently requires responses to TEFCA Required Treatment data and individual access data requests only.¹⁹
- **Privacy and Security:** Requires Health Insurance Portability and Accountability Act of 1996 (HIPAA) level protections for both HIPAA covered entities and non-covered entities. Also required compliance with applicable federal and state laws.²⁰
- **Vetting Standard Operating Procedures (SOPs):** Establishes a clear and standardized process for QHINs to vet their potential participants and subparticipants on their ability to meet TEFCA privacy, security, and interoperability standards as laid out in the TEFCA Exchange Purposes SOPs.²¹ Currently the Vetting SOP provides specific guidance only on the exchange of TEFCA Required Treatment data.²²
- **Qualified Health Information Network Technical Framework (QTF):** Requires adherence by QHINs to TEFCA's technical and functional requirements to enable seamless data exchange among QHINs. QTF is not a direct requirement for participants or their subparticipants.²³

TEFCA and DxF COMPARED – KEY HIGHLIGHTS

TEFCA and DxF share **many similarities**, including their focus on improving interoperability for health data exchange and their requirements to leverage national data standards like the United States Core Data for Interoperability (USCDI).²⁴ Both frameworks emphasize the importance of privacy and security protections, and support data exchange purposes related to healthcare, public health, and individual access services. However, there are **some notable differences**, which could potentially limit TEFCA's utility for DxF participants, and they are:

¹⁹ <https://rce.sequoiaproject.org/exchange-purposes-explained/>

²⁰ <https://rce.sequoiaproject.org/wp-content/uploads/2024/08/QHIN-Security-for-the-Protection-of-TI-21.pdf>

²¹ <https://rce.sequoiaproject.org/exchange-purposes-explained/>

²² <https://rce.sequoiaproject.org/wp-content/uploads/2024/11/SOP-XP-Vetting-Process-508.pdf>.

²³ https://rce.sequoiaproject.org/wp-content/uploads/2022/01/QTF_0122.pdf.

²⁴ TEFCA currently requires is USCDI v1 and USCDI v3 in 2026. DxF requires USCDI v2 and USCDI v3 in 2026.

- TEFCA and DxF both support query-based exchanges but TEFCA only requires responses to requests for data for TEFCA Required Treatment purposes.²⁵ DxF requires responses on requests for HSSI for the purposes of treatment, payment, most healthcare operations, and public health data.
- TEFCA currently does not support delivery of health information that has not been requested by a query. Delivery of HSSI created in response to a request for diagnostic services (e.g., an order or a referral) is required for certain DxF participants.
- TEFCA does not currently support real-time notifications of admissions or discharges. Notifications of admissions to and discharges from emergency services and inpatient services settings are required under the DxF, and encouraged from sub-acute care settings, for any requesting DxF participant.

The following chart provides a snapshot comparison of the key provisions in TEFCA and DxF.

TEFCA AND DXF COMPARISON SNAPSHOT

	TEFCA	DxF	Alignment
Scope	Nationwide effort led by ASPT/ONC and coordinated by the Sequoia Project.	Statewide effort, created by CalHHS in compliance with state law, and led by the Center for Data Insights and Innovation (CDII). ²⁶	–
Participation	TEFCA is voluntary and does not name participants. However, likely	DxF requires participation from a named set of healthcare entities	Both seek to facilitate data exchange for healthcare entities and public health

²⁵ <https://rce.sequoiaproject.org/exchange-purposes-explained/>

²⁶ California Health and Safety Code §130290

	<p>participants include those who may benefit through the allowable exchange purposes,²⁷ which focus on the exchange of a defined set of clinical data for TECCA treatment purposes, providing individual right of access, and exchange of public health information.</p>	<p>including general acute care hospitals, acute psychiatric hospitals, physician organizations and medical groups, healthcare insurance plans, skilled nursing facilities that maintain electronic records, and clinical laboratories.²⁸ DxF participation is voluntary for any other organization that wishes to leverage the DxF to exchange data.</p>	<p>agencies. However, DxF mandates participation by specific entities named by law, while TECCA is voluntary.</p>
Data to be Exchanged	<p>TECCA currently requires TECCA Required Treatment data set to be exchange as noted in the TECCA Required Treatment SOP.²⁹</p> <p>TECCA's referenced data elements and terminologies are based on USCDI v1 and it will transition</p>	<p>DxF requires most healthcare providers to exchange elements in electronic health information (EHI) (electronic protected health information as defined in 45 CFR § 160.103), claims, encounter, and clinical data in USCDI v2 by health care insurance plans, and</p>	<p>DxF requires more data elements than TECCA. Both TECCA and DxF, however, will utilize the elements and terminologies in USCDI v3 in 2026. DxF will also retain its requirements for healthcare providers to exchange all EHI and health care insurance plans to</p>

²⁷ <https://rce.sequoiaproject.org/exchange-purposes-explained/>

²⁸ California Health and Safety Code §130290

²⁹ https://rce.sequoiaproject.org/wp-content/uploads/2024/07/SOP-Treatment-XP-Implementation_508.pdf

	to USCDI v3 by 2026. ³⁰	<p>elements of USCDI v2 by most other participants, which adds data elements on top of USCDI v1 including data related to equity, social determinants of health (SDOH), and care coordination.³¹</p> <p>In January 2026, DxF will align its requirements with the USCDI version required by the ASCP/ONC Health IT Certification Program, which transitions to USCDI v3 in 2026.³²</p>	exchange claims and encounters as well.
Exchange Purposes	TEFCA's exchange purposes focus on enabling the exchange of healthcare treatment, payment, and healthcare operations data (TPO), providing individual access,	DxF requires responses by all participants on their requests for HSSI for treatment, payment, most health care operations, public health purposes, and individual access services. DxF allows	TEFCA and DxF share their focus on exchange of healthcare information for the purpose of treatment, payment and some healthcare operations (TPO),

³⁰ <https://www.healthit.gov/isp/united-states-core-data-interoperability-uscdi>

³¹ https://www.cdii.ca.gov/wp-content/uploads/2023/12/CalHHS_Data-Elements-to-Be-Exchanged-PP_Final_12-15-2023.pdf

³² Id.; <https://www.cdii.ca.gov/wp-content/uploads/2025/01/CHHS-Data-Elements-to-Be-Exchanged-PP-v1.2-1.pdf>.

	<p>public health reporting, and government benefits determinations.³³ TEFCA only requires responses to requests for TEFCA Required Treatment Exchange Purposes at this time.</p>	<p>HSSI data exchange for purposes that are otherwise permitted by law.³⁴</p>	<p>public health, and individual access.</p> <p>Unlike TEFCA, DxF requires participants to respond to requests for payment, most health care operations, and public health purposes.</p> <p>Unlike TEFCA, DxF also allows the exchange of HSSI for other permitted purposes.</p>
Method of Participation	<p>Requires health information exchange through Qualified Health Information Networks (QHIN).³⁵ QHINs will be “qualified” through the TEFCA program.</p>	<p>Transactions are sent via any health information exchange network, health information organizations (including Qualified Health Information Organizations (QHIOs)), or technology that adheres to DxF standards, policies, and procedures. QHIOs are health</p>	<p>DxF participants are not mandated to use any technology, network, or organization to exchange data.</p> <p>QHIOs could be one of the options for DxF participants to facilitate data.</p> <p>TEFCA could be an option for DxF participants</p>

³³ <https://rce.sequoiaproject.org/wp-content/uploads/2024/08/XP-Implementation-SOP-Public-Health-PH.pdf>

³⁴ https://www.cdii.ca.gov/wp-content/uploads/2024/01/CalHHS_Permitted-Required-Prohibited-Purposes_PP_Final_01.18.24.pdf.

³⁵ <https://rce.sequoiaproject.org/qhin-process/>

		information organizations that are “qualified” through CDII’s QHIO program. ³⁶	depending on their desired exchange purposes, as TEFCA is currently limited to TEFCA Required Treatment exchange purposes with limited data set.
Privacy	Requires compliance with HIPAA protections ³⁷ for covered entities. For non-HIPAA covered entities, including individual access, TEFCA requires HIPAA level protections around access, use and disclosure of electronic health information (EHI). TEFCA also requires compliance with applicable federal and state laws.	Requires compliance with some HIPAA protections, including minimum necessary and verification. Requires compliance with applicable privacy laws (federal, state, local and/or tribal laws) that apply to any health and/or social services information. Applicable laws may include HIPAA, the California Confidentiality of Medical Information Act (CMIA), 42 C.F.R. Part 2, the Information Practices Act (IPA), the	Both require HIPAA level protections by covered entities, business associates, and hybrid organizations in addition to applicable state and federal laws. <i>The Sharing Health Information Guide (SHIG)</i> ³⁹ provides additional guidance on information sharing use cases including behavioral health and SDOH data.

³⁶ <https://www.cdii.ca.gov/wp-content/uploads/2024/10/The-QHIO-Program-Guide.pdf>

³⁷ <https://www.hhs.gov/hipaa/for-professionals/privacy/laws-regulations/index.html>

³⁹ <https://www.cdii.ca.gov/compliance-and-policy/state-health-information-guidance-shig/>

		<p>Lanterman-Petris-Short Act (LPS), the Lanterman Developmental Disabilities Services Act (Lanterman Act), the California Consumer Privacy Act (CCPA), California Welfare and Institutions Code § 10850, and California Health and Safety Code § 11845.5.</p> <p>Requires DxF participants who are not subject to HIPAA to only access, use, or disclose protected health information (PHI) received through DxF in a manner consistent with DxF's Permitted, Required, and Prohibited Purposes Policy and Procure.³⁸</p>	
Security	Requires compliance with HIPAA Security Rule and other applicable state and federal laws for	Requires DxF participants who are subject to HIPAA to comply with the HIPAA Security Rule	Both require compliance with HIPAA Security Rules for organizations subject to HIPAA, as

³⁸ https://www.cdii.ca.gov/wp-content/uploads/2023/11/CalHHS_Privacy-Standards-and-Security-Safeguards-PP_Final_11.15.23.pdf; https://www.cdii.ca.gov/wp-content/uploads/2024/01/CalHHS_Permitted-Required-Prohibited

	<p>everyone exchanging information on TEFCA, including non-HIPAA covered entities.⁴⁰</p>	<p>and other applicable federal and state laws.⁴¹</p> <p>DxF also requires DxF participants who are not subject to HIPAA to implement appropriate standards and administrative, physical, and technical safeguards consistent with the HIPAA Security Rule in addition to any other federal and state laws to which they must already comply.</p>	<p>well as applicable state and federal laws.</p> <p>DxF extends many HIPAA requirements to apply to DxF participants who are not subject to HIPAA.</p>
Transaction Methods	<p>TEFCA supports query-based exchanges but only requires responses to requests for TEFCA Required Treatment data and individual access requests. Responses to requests for the purpose of payment, healthcare</p>	<p>DxF requires all participants to respond to requests for HSSI for all required exchange purposes, including treatment, payment, most health care operations, public health, and individual access.</p>	<p>Both support query-based exchanges for purposes of treatment, payment, and some healthcare operations, and public health.</p> <p>DxF requires responses to queries for exchange purposes beyond</p>

⁴⁰ <https://sequoiaproject.org/new-and-updated-tefca-sops-released/>

⁴¹ https://www.cdii.ca.gov/wp-content/uploads/2023/11/CalHHS_Privacy-Standards-and-Security-Safeguards-PP_Final_11.15.23.pdf

	<p>operations, public health and government benefits determinations are optional.</p>	<p>DxF requires many participants to send HSSI created in response to a request for diagnostic services (such as an order or referral) to the DxF participant making the request.</p> <p>DxF requires participants that offer emergency services or inpatient services to send notification of admissions and discharges to DxF participants who request them.</p>	<p>TEFCA Required Treatment purposes, which are currently optional under TEFCA.</p> <p>DxF expands query-based exchange supported under TEFCA to include sending information created in an order or referral, and sending notifications of admissions and discharges, which TEFCA does not yet support.</p>
Implementation Timelines	<p>TEFCA became operational in Dec. 2023. No timeline is specified in law.</p>	<p>Requires mandatory signatories to sign the Data Sharing Agreement (DSA)⁴² by January 31, 2023.⁴³</p> <p>Many mandatory signatories were required to begin sharing HSSI by January 31, 2024, while some limited</p>	-

⁴² https://www.cdii.ca.gov/wp-content/uploads/2023/01/1.-CalHHS_DSA_Final_v1_7.1.22-11.8.22.pdf

⁴³ California Health and Safety Code §130290

		<p>mandatory signatories identified in the law may elect to delay exchange until January 31, 2026.⁴⁴</p> <p>Voluntary signatories to the DSA may elect to delay exchanging information until January 31, 2026, if signing the DSA before that date, or may begin exchanging information under the DxF upon signing the DSA at any time.</p>	
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LEVERAGING TEFCA FOR DxF IMPLEMENTATION IN 2025

As discussed above, TEFCA’s national standard based interoperability framework, and its exchange infrastructure utilizing QHINs may provide a readymade “on-ramp” for certain DxF participants to meet some of their data exchange obligations under DxF. TEFCA may provide a pathway to exchange healthcare data for those able and willing to participate in TEFCA. TEFCA may also develop additional updates in the future that could expand support for the exchange of payment, health care operations, and public health information. However, TEFCA’s ability to facilitate the exchange of social services data, delivery of results on orders and referrals, or notifications on admissions and discharges, which are current requirements for many DxF participants, remain uncertain.

For more information on DxF implementation, please visit [Data Exchange Framework – CDII](#).

⁴⁴ Id.