Item #3

QHIO Program Evolution: Review of QHIO Program Solutions

November 19, 2026

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Goals of the QHIO Program

Goal #1

Support Statewide Exchange of HSSI

Goal #2

Help Participants Meet DxF Requirements

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Issues Impacting the QHIO Program

Sustainability
QHIOs' sustainability concerns may be exacerbated by an attempt to support all DxF needs.

Goal #1 Goal #2

Service Gaps
Every QHIO does not serve all Participant types or provide all forms of exchange.

Goal #2

Reciprocity
Imbalance in the bidirectional exchange between QHIOs has prevented collaboration and statewide exchange.

Goal #1

Trust
Lack of trust due to privacy and security concerns has prevented collaboration and statewide exchange.

Goal #1

Voluntary Adoption
The technology-agnostic structure of the DxF has prevented comprehensive statewide exchange.

Goal #1 Goal #2

Oversight Limitations
Attestation-based oversight mechanisms have prevented full accountability in the Program.

Goal #1 Goal #2

Committee Feedback to Potential Solutions

Solutions Discussed in October

1 **Single QHIOs with Minimum Operating Thresholds.** QHIOs are designed to help any Participant meet DxF requirements for Request for Information, Event Notification, and Information Delivery. To meet requirements and demonstrate ability, the QHIO Program would require QHIOs meet minimum operating thresholds for Request for Information and Event Notification.

2 **DxF Recognized Specialists.** Organizations may choose one exchange type to specialize in and demonstrate the minimum operating threshold for that exchange type. Organizations must also follow select applicable QHIO Program requirements.

Committee Feedback*

4 (out of 5)
"I support this approach"

2 (out of 5)
"I am uncomfortable with this approach, but I can live with it"

**Average across 19 responses received from Committee members during the August 2026 meeting*

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Committee Feedback to Potential Solutions

Solutions Reviewed in October		Committee Feedback*
3	**Require Participant Use of QHIO Services.** Require that Participants engaged in specific forms of exchange use QHIO services to break down silos, fill gaps in nationwide networks, and create greater efficiencies	3 (out of 5) *"I am okay with this approach"*
4	**Pricing Transparency.** Require QHIOs to publish the prices for DxF exchange services.	No Poll Conducted

*Average across 19 responses received from Committee members during the August 2026 meeting

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Solution 1: QHIOs With Minimum Operating Thresholds

Vision

An organization that qualifies as a QHIO serves as a **"one-stop shop"** that provides services DxF Participants need to meet their DxF requirements.

To qualify as a QHIO, an organization must demonstrate it meets **minimum operating thresholds** for core exchange services.

Requirements

- Set minimum operating thresholds for <u>two DxF exchange types</u>:
  - Request for Information
  - Event Notification.
- Do not set a minimum operating threshold for Information Delivery.
- Require QHIOs meet the minimum operating thresholds to demonstrate their capabilities, and support Information Delivery services without a requirement to meet a minimum Information Delivery threshold.

Background on Solution 1

The QHIO is designed to help any Participant meet the three exchange types defined in the DxF's Technical Requirements for Exchange Policy and Procedure (P&P)*

Request for Information

Any DxF Participant can request an Individual's Health and Social Information (HSSI) from another DxF Participant and must respond to a request from other DxF Participants. Information is shared using USCDI v3. Participants are encouraged to use HL7 FHIR Release 4.

Example: A Participant uses a QHIO to request clinical records for a new patient referred to them, including procedures, diagnoses, lab results, immunizations, prescribed medications, and other patient visit summary information.

Event Notification

Any DxF Participant can request event notifications from hospitals and emergency departments (Eds) for a roster of individuals under their care. All hospital and ED DxF Participants must accept these requests for event notifications from Participants and send notifications as HL7 Messaging Standard Version 2.5.1 Admit, Discharge, Transfer (ADT) messages and USCDI v3.

Example: A health plan sends a roster of their high-risk members to a QHIO to request notifications from all DxF Participant hospitals and EDs.

Information Delivery

Any DxF Participant that maintains data related to an order or referral for services may send information pertaining to that order or referral to the Participant requesting the referral using Direct Secure Messaging or HL7 FHIR Release 4.

Example: A patient is referred from one DxF Participant primary care provider (PCP) to a specialist. The specialist returns a Secure Message with a patient visit summary documenting services provided and other clinical findings to the PCP.

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*See pre-read for details and additional use cases

Current State of QHIO Support for Each Exchange Type

Request for Information

- QHIOs support DxF Participants with the creation of requests and the return of responses. Responses contain a comprehensive summary of HSSI for the Individual.
- Today's QHIOs and DxF Participants leverage national networks (e.g., TEFCA) to support Request for Information transactions.
- Requests for Information for non-Treatment purposes are less reliably supported by nationwide networks or QHIOs.

Event Notification

- DxF has not achieved statewide event notification due to reciprocity and trust challenges in the QHIO program. Separately, many acute care and SNF organizations do not use QHIOs to meet this exchange requirement.
- National networks do not support event notification.

Information Delivery

- Today's QHIOs and DxF Participants indicate low demand for this exchange type. Direct Secure Messaging is not widely adopted and used in California.
- Other data exchange pathways can in part support this need.

Proposed Requirements for Solution 1

Proposed Requirement

HSC130291 requires HCAI to "*establish a process to designate qualified health information organizations as data-sharing intermediaries that have demonstrated their ability to meet requirements of the California Health and Human Services Data Exchange Framework*".

To meet requirements and demonstrate ability, the QHIO Program would require QHIOs **meet minimum operating thresholds for Request for Information and Event Notification exchange types**.

Request for Information

QHIOs must actively participate in a nationwide network for Request for Information services **and** serve a minimum number of DxF Participants with Request for Information responses.

Illustrative Example: QHIO Program could require each QHIO connect to eHealth Exchange and serve at least 25 DxF Participants for whom they will respond to Requests for Information.

Event Notification

QHIOs must meet a threshold volume of events (or facilities sending events) to enable statewide event notification services

Illustrative Example: *The QHIO Program could require each QHIO to receive real-time events directly from at least 15 DxF Participants.*

Information Delivery

Given low demand from DxF Participants for Information Delivery services, specified operating thresholds would not be required.

Impact: Based on today's use of QHIO services, **~4 of today's 8 QHIOs might meet these illustrative thresholds** and could satisfy the requirements.

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Solution 1: Impact & Considerations

Impact

Impact on Current QHIOs:

- Some current QHIOs may not meet minimum operating thresholds if the QHIO Program adopts minimum operating thresholds

Impact on the Current QHIO Program:

- Reduces service gaps
- Improves balance and reciprocity within the QHIO Program
- Minimizes some elements of QHIO oversight

Impact on Participants:

- Fewer QHIO options, but greater confidence in the service levels of available QHIOs
- While minimum operating thresholds will strengthen the QHIO Program and further enable statewide exchange, they will not guarantee every Participant's needs are met, or data are available for all patients.

Considerations

Program Issues Addressed:

- ✓ Sustainability
- ✓ Service Gaps
- ✓ Oversight Limitations
- ✓ Reciprocity

Actions Required:

Update QHIO Program requirements to:

- Establish minimum operating thresholds
- Require minimum operating thresholds as part of an updated QHIO Program application process

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Solution 2: Establish DxF Recognized Specialist QHIOs

Vision

Provide Participants who do not require the comprehensive services offered by QHIOs the option to use an organization recognized by HCAI as a "DxF Recognized Specialist" in one of the three exchange types. To be recognized as a DxF Recognized Specialist, an organization must:

- Demonstrate they meet the **minimum operating thresholds** for their selected exchange type.
- Abide by select QHIO program requirements related to privacy / security or pricing.
- **Exchange with other QHIOs for that exchange type without charging them.**

Requirements

For DxF Recognized Specialists:

- Organizations choose an exchange type "track" to become a DxF Recognized Specialist
- Organizations must demonstrate the **minimum operating threshold** for the chosen exchange type
- Organizations must follow select applicable QHIO program requirements, including the requirement to exchange with all other Recognized Specialists and QHIOs.

Solution 2 Example: Event Notifications Specialist

ADT Event Specialists would allow DxF hospitals, EDs and SNF Participants to use a Specialist to meet ADT event notification requirements that they can't meet using their own technology or other networks

Background

Many DxF Participants use their own technology or other non-QHIO networks to meet DxF requirements – including for event notifications.

- Acute care hospitals and EDs are required to share events; Skilled Nursing Facilities (SNFs) are encouraged to share events:
  - 48.6% of acute care facilities report using a QHIO to share their events. Approximately 30% have not declared how they share events.
  - 6.7% of SNFs report using a QHIO to share events.
- DxF Participants seeking statewide event notifications today must connect to multiple networks and/or directly to some facilities

Proposed Requirements

- **Establish a minimum threshold that Specialists must meet for Event Notifications.** Specialists could be required to meet similar minimum thresholds to those specified for the QHIO program for Events.
- **Specialists would be required to share event notifications with QHIOs** and other event notification Specialists and would be prohibited from charging QHIOs or other Specialists for them.
- **Specialists would be prohibited from charging QHIOs** or other Specialists for these events.

Solution 2: Impacts & Considerations

Impact

Impact on Current QHIOs:

- QHIOs that do not meet future minimums for all DxF services may find an opportunity through this specialization path
- Participants may turn to DxF Recognized Specialists for specific exchange services they would otherwise obtain from QHIOs.

Impact on Recognized Specialists:

- Creates opportunities for organizations whose business model focuses on specific exchange types
- Minimum operating thresholds will hold Specialists accountable

Impact on Participants:

- A separate qualification track may create confusion for Participants
- Participants who choose a Specialist may need to contract with other organizations to meet all their DxF requirements, increasing burden
- Participants may choose a Specialist to meet DxF gaps that their current technology or network can't satisfy
- Increases Participant choice by including organizations that are recognized by HCAI as capable of providing specific services to fill gaps and meet exchange needs

Considerations

Program Issues Addressed:

✓ Sustainability

✓ Service Gaps

Actions Required:

Establish a Specialist Program:

- Develop an application for candidate Specialists
- Establish Specialist program requirements
- Open applications and select Specialists who meet minimum operating thresholds and agree to other program requirements

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Committee Feedback on Solution #2

The Committee highlighted several additional considerations related to Solution #2 in October, leading HCAI to update its recommendation on Solution #2.

Pros:

- Could expand statewide exchange of event notifications
- Would allow Participants to keep existing trusted vendor or network relationships

Cons:

- May require Participants that need multiple services to incur more contracts, interfaces, and administrative work, weakening the value of a single connection. This may amplify the affordability and technology barriers already experienced by smaller organizations
- May undermine QHIO sustainability by introducing opportunities for Participants to shift services to Specialists

Updated Recommendation

HCAI should move forward without establishing a DxF Recognized Specialist program that would allow an Intermediary to specialize in one exchange type by meeting the minimum operating threshold for that exchange type and other Program requirements specified by HCAI.

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For Discussion in November: Solution 3: Require Use of a QHIO (or DxF Recognized Specialist)

Vision

All DxF Participants would be required to use a QHIO, identified nationwide network, or DxF Recognized Specialist (if established) to fulfill two DxF exchange types:

- Requests for Information
- Event Notifications

Requirements

- All Participants would be required to use a QHIO, Recognized Specialist (if established) or nationwide network for Requests for Information.
- DxF Participants that are Hospitals and EDs would be required to use a QHIO or Recognized Specialist (if established) to share admission and discharge event notifications with other DxF Participants.
- DxF Participants seeking admission and discharge event notifications would need to use a QHIO to make their requests and receive notifications.

For Discussion in November: Solution 4: Pricing Transparency*

Vision

Require price transparency for QHIOs (and Recognized Specialists if established)

Requirements

Require QHIOs publish prices for DxF exchange services including sending and receiving:

- Requests for Information
- Information Delivery
- Event Notification

** During the fist-to-five poll in August, the Committee did not provide feedback on price transparency.*

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Next Steps

SAC Members to:

- Identify any additional information needed on all solutions to be prepared to vote on these solutions at the December meeting
- Consider feedback and questions related to Solutions 3 and 4 to discuss at the November meeting