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\$35.6 MILLION GRANT TO FUND TECHNOLOGY INFRASTRUCTURE FOR HEALTH CARE REFORM

University of Massachusetts Medical School and Massachusetts Executive Office of Health and Human Services to lead multi-state collaboration

WORCESTER, Mass. – The University of Massachusetts Medical School (UMMS) and the Massachusetts Executive Office of Health and Human Services (EOHHS) have received a \$35.6 million grant from the U.S. Department of Health and Human Services (HHS) to develop an online “health care exchange,” a resource through which consumers and small business owners can efficiently shop for health insurance plans.

Massachusetts is one of seven “Early Innovator” states to receive grants from HHS as the nation prepares for implementation of federal health care reform. Starting in 2014, all states will be required to set up online health care exchanges to help individuals and small employers shop for, select and enroll in high-quality, affordable private health plans that fit their individual needs at competitive prices.

“Health care reform means that consumers will be more directly involved in health care decisions, starting with the purchase of their insurance coverage,” said Michael F. Collins, MD, UMMS Chancellor and University Senior Vice President for the Health Sciences. “This grant will help the nation reach the place where we are in the Commonwealth, as it designs and

implements a comprehensive, user-friendly mechanism for consumers to more fully control their health care expenditures. UMass Medical School is uniquely positioned to play a key role in this process. Our Commonwealth Medicine division has been an important partner with the state over the past decade in creating and implementing health care policy.”

By providing a place for one-stop shopping, online exchanges will make purchasing health insurance easier and more understandable. A sophisticated, consumer-friendly technology infrastructure – similar to web sites employed by consumer-based industries such as airlines or banks industries – will be critical to the success of the exchanges.

“We want to make the shopping experience for individuals and small businesses as customer friendly and efficient as possible,” Jay S. Himmelstein, MD, MPH, professor of family medicine & community health and medicine and director of Public Sector Health Information Technology Policy.

Although exchanges are not scheduled to launch until 2014, work is already underway to design and implement them across the country. Using these new federal funds, the Early Innovator states will develop exchange models that can be adopted and tailored by other states.

Led by UMass Medical School and Massachusetts EOHHS, the project will create and build a flexible exchange information technology framework in Massachusetts to be shared with other New England states. An innovative part of the plan is the involvement of the New England States Consortium Systems Organization (NESCSO), a non-profit corporation organized by the six New England health and human services agencies to foster communication and collaboration.

The UMMS framework is expected to be completed by 2013, a year ahead of the federal deadline. Lessons learned from its creation and implementation will be used to inform best practices, help gain efficiencies and accelerate development for participating New England states. This will help those states establish their exchanges quickly and efficiently using the models and building blocks created by the Massachusetts project. At the same time, individual states will continue to have the flexibility to develop an exchange that best meets the needs of their unique health insurance market without having to start from scratch.

Grant applicants were selected based on their readiness to develop and use innovative technology approaches for establishing an exchange systems. Massachusetts, which requires individuals to get health insurance as part of its own health care reform act passed in 2006, already operates an exchange through an agency called the Massachusetts Health Connector and has demonstrated a technical expertise and ability to develop these systems on a fast track schedule.

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About the University of Massachusetts Medical School

The University of Massachusetts Medical School, one of the fastest growing academic health centers in the country, has built a reputation as a world-class research institution, consistently producing noteworthy advances in clinical and basic research. The Medical School attracts more than \$255 million in research funding annually, 80 percent of which comes from federal funding sources. The mission of the Medical School is to advance the health and well-being of the people of the commonwealth and the world through pioneering education, research, public service and health care delivery with its clinical partner, UMass Memorial Health Care. For more information, visit www.umassmed.edu.