

# California Clinical Data Project: Setting Standards

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## Background

Health information technology is increasingly seen as a solution to promote the quality, safety, and efficiency of health care. Yet most health care providers find it difficult to obtain timely and accurate clinical information about patients who receive services from locations such as hospitals, emergency rooms, pharmacies, and laboratories. The data systems used by these entities do not share a common language and are unable to exchange clinical information efficiently. As a result, clinicians often find themselves without all the information needed to make the best treatment decisions for patients, especially those with chronic conditions.

## Standards Development: The First Step

In the spring of 2004, members of the California health care community responded by establishing the California Clinical Data Project: Setting Standards. The project is a collaborative composed of local, state, and national health care organizations dedicated to establishing uniform standards and business rules that address the problem of data exchange in two crucial areas: pharmacy and laboratory data. Such standards and rules promise to increase the value of health information technology systems by boosting efficiency and reducing errors. Ultimately,

uniformity will help physicians and other medical professionals gain ready access to reliable clinical information they can use to improve disease management at the point of care.

## The Impact of Standards

### Avoiding Redundancy, Improving Efficiency

Entities sending and receiving clinical data will benefit from a uniform standard by eliminating the need to support multiple formats. The ability to receive data feeds in a familiar format will also make it easier for provider organizations to quickly integrate data from new sources.

### Greater Cost Effectiveness

The prevalence of chronic disease is growing in California and the nation, and inadequate management of people with chronic diseases has become a major component of health care costs, accounting for more than 75 percent of national health care spending— almost \$1.6 trillion—in 2002. Standardized information exchange could save the providers and payers \$86.8 billion each year, or approximately 5 percent of total U.S. health care expenditures.<sup>1</sup>

### Interoperability

The proliferation of incompatible formats for medical information means providers often have difficulty obtaining timely, accurate clinical data

from hospitals, health plans, and commercial labs. With a common set of data exchange standards, business rules, and software tools, provider organizations will be better equipped to integrate pharmacy and lab data into clinical information systems, such as disease registries and electronic health records.

### **Moving Forward: California Leads the Way**

California, through the Setting Standards project, will become the first state in the nation to formally adopt uniform clinical data exchange standards. Demand for uniform standards in California is driven in part by the Integrated Healthcare Association's Pay for Performance initiative. Providers must submit data on clinical measures, such as diabetes management, in order to qualify for incentive payments.

### **Project Objectives**

The goal of the Setting Standards project is to create a uniform set of clinical data exchange standards to help improve treatment at the point of care, especially for those with chronic diseases. The first phase of the project is specifically focused on the managed care market and aims to ensure:

- Standardized transfer of pharmacy utilization data between health plans, pharmacy benefit managers, and provider organizations.
- Standardized transfer of laboratory data from rendering labs and hospitals to provider organizations and health plans.
- Consistent rules for data exchange—with creation, endorsement, and adherence to by all stakeholders.

- Adherence to data standards through validation software tools and technical support to provider organizations.

### **Who Is Involved**

The California Clinical Data Project is overseen by an executive committee consisting of representatives from:

- California provider organizations;
- Six regional and national health plans;
- Three regional health care systems;
- Two commercial national laboratories;
- California health care purchasers;
- Safety-net providers; and
- State government health care agencies.

Two workgroups have been given the task of developing pharmacy utilization and lab result data standards and rules of exchange. The workgroups are made up of technical experts from the executive committee member organizations. The California HealthCare Foundation provides coordination and technical assistance to the collaborative.

For details about the collaborative visit [www.calinxstandards.org](http://www.calinxstandards.org). The Web site includes the complete list of endorsing organizations and executive committee members, as well as implementation status, a detailed list of benefits for stakeholders, technical support, and more.

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### **ENDNOTES**

1. Center for Information Technology Leadership; "New Findings Show that Investment in Standardized Healthcare Information Exchange Would Deliver \$87 Billion in Annual Healthcare Savings," February 2004.