Testimony on Bill No. 36-0228

Establishing the Virgin Islands Health Data Utility

Committee of the Whole
Thirty-Sixth Legislature of the Virgin Islands

An act amending title 19 Virgin Islands Code by adding a chapter 39 establishing the Virgin Islands Health Data Utility, which will advance data sharing infrastructure, simplifies reporting, enhances data visualization, and improves traditional clinical data exchange, across individual practice and institutional health settings, and social service organizations.

HEALTH DATA UTILITY

Presented by:

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Submitted to:

Honorable Senator Milton Potter

Senate President, Committee of the Whole

INTRODUCTION

Good day, Senate President Potter; Senate Vice President Gittens; Honorable Senator Fonseca, Chair of the Committee on Health; and distinguished Senators of the Thirty-Sixth Legislature. Thank you for the opportunity to testify in strong support of Bill No. 36-0228, "An Act amending title 19 Virgin Islands Code by adding chapter 39 establishing the Virgin Islands Health Data Utility."

This measure is both straightforward and transformational. It creates the Virgin Islands Health Data Utility—our HDU—as a special-purpose, independent, public-benefit, non-profit instrumentality of the Government charged with operating the Virgin Islands Health Information Exchange (HIE) and related digital infrastructure. *In practical terms, this bill gives an independent body, the governance, legal authority, and funding structure we need to move from fragmented information silos to a coordinated, territory-wide health data backbone that supports better care, stronger public health, and more efficient use of limited dollars.*

My name is Michelle Francis, Executive Director of the Office of Health Information Technology. I am joined by key public and private agency partners and subject-matter experts who stand ready to help transform how care is delivered in this Territory.

Today, I speak with urgency—and with conviction—because the decision before you is not abstract. It touches every Virgin Islander, every clinical provider, every hospital, every clinic, every insurer, and every family in the Virgin Islands and has been over 20 years in the making. In my testimony today, I will: (1) describe the current state of healthcare in the Territory; (2) explain, in plain language, what Bill 36-0228 actually does; and (3) show how it gives us the tools to seamlessly exchange data to improve care and control costs while protecting privacy.

BACKGROUND

Building on the legacy of the provider community with strong leaders like Dr. Cora Christian and Dr. Frank Odlum at the forefront, the Health Information Exchange concept first took root in 2001. After over 25 years of efforts from leading institutions that included the University of the Virgin Islands, Department of Health and Department of Human Services, this concept became a reality in 2021 through Executive Order with the formation of the Office of Health Information Technology by the Bryan/Roach administration. The Office of Health IT (OHIT) was created as a collaboration hub to help advance the modernization of our territory's healthcare delivery system.

OHIT works across public and private agencies to coordinate and guide an aligned, strategic approach on health information technology efforts throughout the territory. This office has and continues to serve as a resource to the entire healthcare system to support the adoption of the digital tools that include electronic medical records, telehealth, health information exchange, and by Executive Order oversees the Implementation of the 2021 Territorial Health IT Strategic Plan, and major Medicaid health IT initiatives.

Recognizing that federal funds alone could not solve a Territory-wide modernization challenge, we proactively sought additional resources. My office secured over $1 million in grant funding to supplement our modest annual earmark and to incentivize participation among both public and private providers.

To date, OHIT has provided local match funds and grants to strengthen infrastructure and support HIE connections for:

- Juan Luis Hospital
- Schneider Regional Medical Center
- St. Thomas East End Medical Center
- Frederiksted Health Care

- DHS Medicaid

We also hosted three consequential Digital Health Summits, bringing best-in-class solution providers and national experts in health IT and policy to provide education and resources and for them to better understand our needs and identify appropriate solutions for the Territory.

After more than 25 years of conceptual discussions, the Bryan/Roach Administration has now transformed the vision of an integrated healthcare network into reality through the HIE Pilot, funded by the Office of the National Coordinator and implemented by the vendor CRISP Shared Services. This pilot now includes both hospitals and our two federally qualified health centers. While this achievement is historic and exciting, we recognize that the task ahead remains complex and demanding.

THE CURRENT REALITY OF HEALTHCARE IN THE VIRGIN ISLANDS

As Virgin Islands residents, we all experience a fragmented healthcare system. A simple visit to Urgent Care—or your primary care physician—requires at least a half day off work for lengthy registration paperwork and the stress of trying to recall your medical history. You may need labs you recently had done elsewhere but can't easily access the results. You try not to be stressed as they take your blood pressure while asking you to list all medications you are on and to recall and describe details of any last pertinent visits. You leave with a pile of paper referrals that must be hand-delivered to imaging centers, pharmacies, and specialists.

A month later, when following up with your primary care doctor, you come armed with photos of pill labels or a bag of pill bottles and an assortment of paperwork, still unsure you remembered everything. You spend an additional 30 minutes filling out 50 pages of information you have already filled out at five sites of care. The imaging center you went to couldn't give you your scans on a jump drive due to cybersecurity policies, leaving you uncertain about how to get critical information from one provider to the other. You are also stressed about having to take even more time off work just to act as a courier for your medical records.

Meanwhile, you're also coordinating care for your parents, whose rising travel costs for medical visits make relocating seem necessary. With your father at high risk for stroke, you know that timely access to accurate health records is essential—strokes don't allow time to call multiple offices for past labs, medications, and history. Every second counts.

This fragmentation is not just inconvenient—it is costly and dangerous.

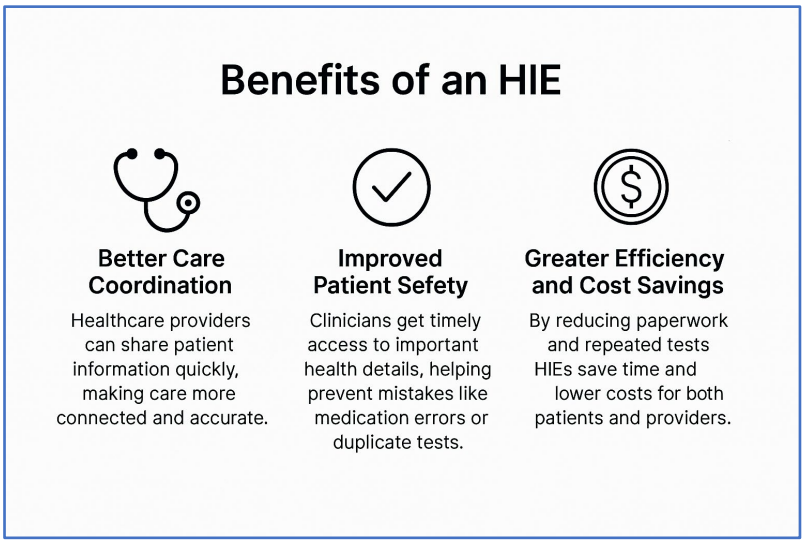
Local Costs We Can No Longer Ignore

- The Virgin Islands spends **over $80 million every year** sending patients off-island for care — a figure that has steadily increased over two decades.
- Government health insurance costs for employees and retirees are projected to rise by **13.7% in FY 2026**, representing a staggering **$27.26 million increase in cost**.

These numbers are not theoretical. They directly impact our overall local economy, the general budget, our hospitals, clinics and our people.

Without a modern system for sharing clinical data, we are trapped in a cycle of inefficiency, duplication, and escalating costs. Additionally, without the benefit of comprehensive data, we are making decisions half blind. Instead of decisions that are data driven, we are making decisions based on anecdotes and a partial picture of what is really driving healthcare costs in the USVI and what is really plaguing residents.

THE POWER OF HEALTH INFORMATION EXCHANGE



A functioning Health Information Exchange is the backbone of modern healthcare. It allows secure, real-time exchange of:

- Lab results
- Imaging
- Medications
- Diagnoses
- Hospital encounters
- Clinical notes
- Allergy and problem lists

And it ensures that information follows the patient—***not the other way around.***

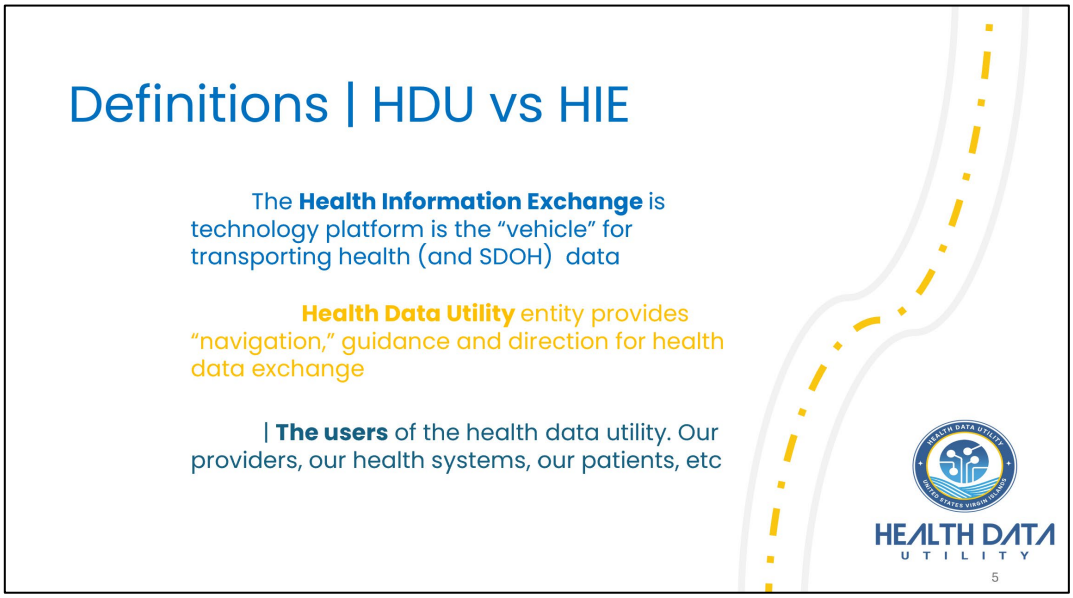
National Evidence of Cost Savings and Improved Care

National studies consistently show that HIEs deliver measurable financial and clinical benefits:

- The greatest savings come from reducing **administrative waste,** including the time clinicians spend retrieving charts and avoiding redundant imaging—the largest avoidable cost driver in American healthcare.
- Real-time analytics and **Admit Discharge Transfer alerts** significantly reduce costly hospital readmissions and contribute to lower mortality when integrated into workflows. *Did you know that when a Medicaid client is readmitted to a hospital within 30 days, the local general fund budget has to pay for it?*
- Systematic reviews show that HIEs **reduce** duplicated procedures, unnecessary imaging, and therefore the overall cost of care—validating their long-promised impact.

When national research is combined with our local data, the conclusion is undeniable: **The Virgin Islands can no longer afford NOT to implement a fully functional Health Information Exchange governed by a sustainable, transparent Health Data Utility.** Bill 36-0228 is the vehicle that gives it form, governance, and sustainable funding in the Virgin Islands.

WHY THE HEALTH DATA UTILITY (HDU) LEGISLATION IS ESSENTIAL



Bill 36-0228 recognizes that health data are critical infrastructure. It defines an "Exchange" or Virgin Islands Health Information Exchange as the authorized electronic network for sharing health information among healthcare providers, payors, public health agencies, and other authorized participants. It grounds our approach firmly in federal law by incorporating HIPAA, the Health Insurance Portability and Accountability Act, and the 21st Century Cures Act interoperability and information blocking framework, including TEFCA, the Trusted Exchange Framework and Common Agreement. The message is clear: the Virgin Islands intends to participate fully and compliantly in modern health information exchange.

The bill also recognizes something else: as a holder of personal information, the Government of the Virgin Islands has a responsibility to demonstrate a serious, visible commitment to privacy, security, and proper governance. The findings section expressly acknowledges that agencies and health-care entities have a duty to share information—as allowed by law—to achieve optimal patient and population health, but also to respect personal privacy and to operate within the protections established since HIPAA's enactment in 1996.

What Bill 36-0228 Does—In Plain Language

Bill 36-0228 does three main things.

First, it creates the Virgin Islands Health Data Utility as a special-purpose, independent, autonomous public-benefit, non-profit corporation and government instrumentality, governed by a 12-member board that includes OHIT, the Commissioners of Health and Human Services, both public hospitals, the Bureau of Information Technology, both federally qualified health centers, the Board of Medical Examiners, the largest independent PPO, and two at-large public members—one from each district.

Second, it charges the HDU with operating the Virgin Islands Health Information Exchange and related digital infrastructure. Through the HIE, the HDU must aggregate data from providers and payors, support Medicaid interoperability and public-health reporting (registries, labs, immunizations, syndromic surveillance), and enable

authorized clinicians to securely access patient information for treatment and care coordination under HIPAA and the 21st Century Cures Act/TEFCA.

Third, it establishes patient consent protections, implementing regulations, mandatory participation agreements for providers and payors, and a funding framework—including an ARPA appropriation, transfer of the existing CRISP contract and associated funds, and a dedicated share of the emergency services surcharge—to sustain this critical infrastructure over time.

Brief Walk-Through of Key Sections

To make this very clear, let me briefly walk you through the core sections of the bill.

Establishment & Governance (§1002) The Health Data Utility (HDU) is established as a non-profit government instrumentality. A 12-member board governs operations, subject to annual CPA audits and strict conflict-of-interest rules for public members.

Powers & Protections (§1003) The HDU possesses independent legal standing, including the power to contract and manage revenues. Its debts remain separate from the central government. Property is tax-exempt, and employees retain standard government benefits (ERS, Social Security).

HIE Duties & Patient Rights (§1004–1005) The Health Information Exchange (HIE) aggregates data for public health, Medicaid, and clinical monitoring. It prioritizes interoperability and privacy. Patients may opt out of the HIE, except for legally mandated reporting, ensuring HIPAA-compliant choice.

Regulations & Funding (§1006–1007) The HDU will mandate data exchange standards aligned with CMS and ONC. Funding is sourced via grants, federal cooperation, and participant fees, provided a sustainability plan is approved.

Participation & Appropriations (Sec. 2–5) All health entities must execute participation agreements within a phased approach. Implementation is supported by a $300,000 ARPA appropriation and a $0.50 emergency surcharge increase (20% allocated to HDU). Existing HIE contracts transfer to the HDU.

Privacy, Patient Rights, and Limits on Use

The bill is explicit that all data sharing must comply with HIPAA and the 21st Century Cures Act, including TEFCA, and that the HIE must be administered under principles that prioritize privacy, security, and confidentiality. It allows patients to opt out of the HIE, except where public-health or other reporting is required by law, and it restricts the HDU to the activities authorized in this chapter. Its property is public property, used only for essential public and governmental purposes—not for private commercial exploitation.

What the HDU Will Do

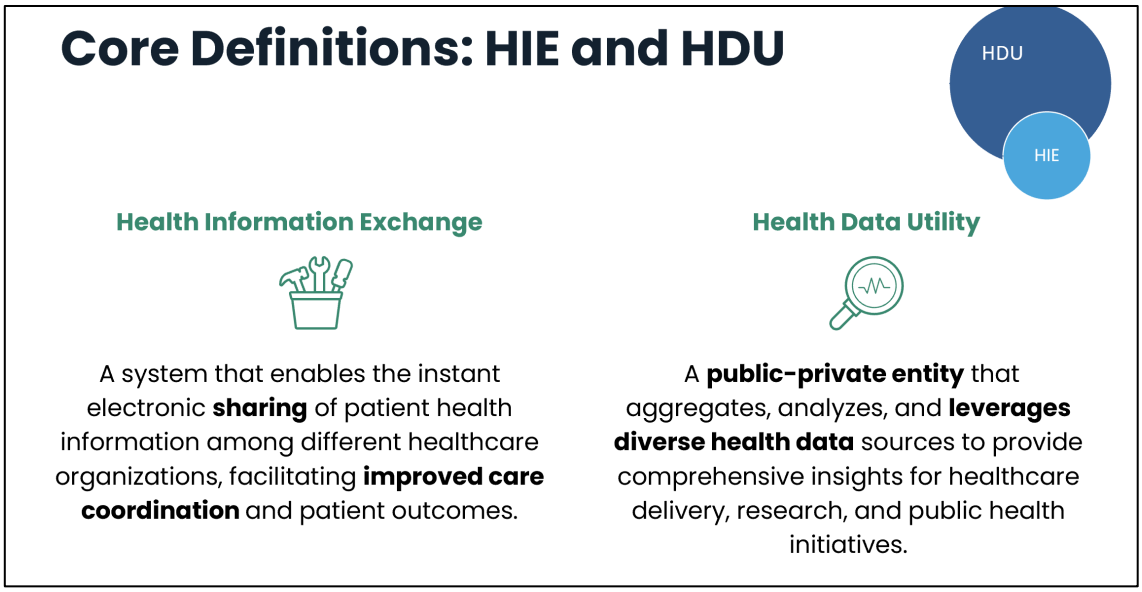
This **independent nonprofit public benefit corporation ensures:**

- Transparent governance
- Public-private stakeholder representation
- Long-term operational stability
- Compliance with federal data-sharing standards
- A model that aligns with best practices nationwide
- Clear, prioritized use cases for data sharing—prioritized and authorized reasons for the exchange of data

In practical terms, the HDU will:

- Run and maintain the Territory's critical enterprise digital infrastructure for health IT, including and starting with the Health Information Exchange but not exclusive to it
- Help facilitate the hospitals getting critical funding and infrastructure to replace their outdated electronic medical records so that they can connect to the Health Information Exchange securely and efficiently
- Ensure all providers and insurers participate, guaranteeing complete patient records
- Support public health agencies with real-time data needed for disease surveillance
- Reduce duplication, lower costs, and improve coordination of care
- Assist with education and on-boarding of providers to the HIE and education to the wider public

And importantly, the HDU ensures that **health data remains a public asset, not a commercial commodity.** In other words, the practical duties I have just described are not aspirational; they are embedded in §1004 of the bill as core requirements of the HIE and the HDU.



MANDATED PARTICIPATION — A NECESSARY STEP

No HIE can succeed if participation is optional. A fractured system only perpetuates the very problems this legislation is designed to fix. The bill's requirement that all providers and insurers participate is foundational and aligns with national frameworks such as **HHS' Trusted Exchange Framework and Common Agreement (TEFCA).**

Section 2 of the bill makes this real by requiring that, within 90 days of enactment, all health facilities, healthcare providers, pharmacies, federally qualified health centers, and all payors execute participation agreements with the HDU that include milestones for bi-directional connectivity. ***We are prepared to offer language for an amendment to implement a phased approach to allow all contributing entities an opportunity to implement the necessary steps for data sharing.*** This proposed timeline will provide a phased implementation with clear milestones for all participants and insures that all, including small practices, are not left behind.

Mandated participation ensures that:

- All medication lists are accurate
- All lab results are available anywhere care is sought

- Emergency providers have the information they need in real time
- Care transitions are safer and faster
- Claims data is available and shared accurately and timely for reporting and enhanced disease surveillance, budgeting, and planning

This is not just good policy—**it is good medicine.**

FUNDING FOR SUSTAINABILITY

The bill lays out a multi-layered funding approach designed to provide immediate start-up resources and long-term sustainability without creating an open-ended draw on the General Fund.

First, the bill dedicates **$300,000 in American Rescue Plan Act funds for FY 2025** to help launch the Health Data Utility (HDU). This provides immediate start-up resources backed by time-limited federal dollars.

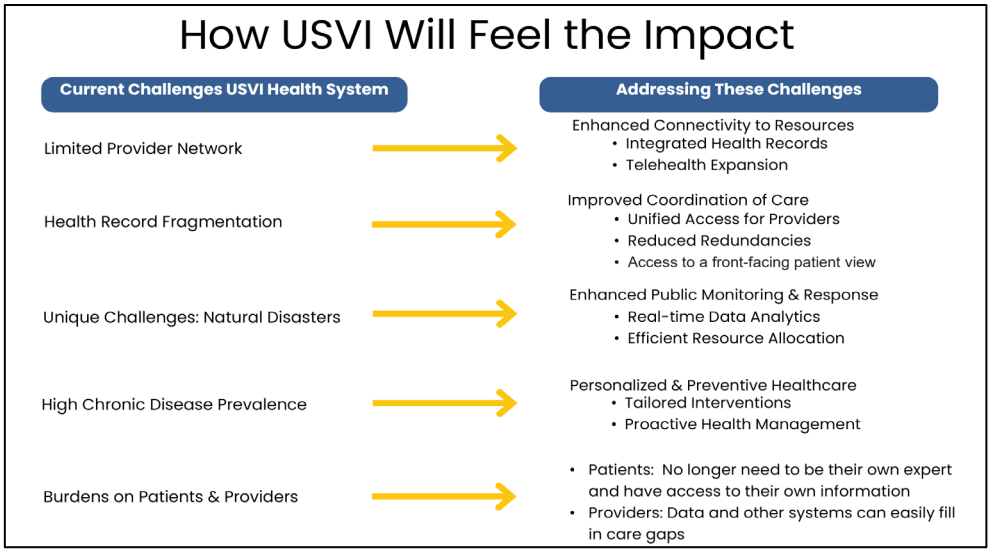
Second, the bill streamlines the HDU's operational and financial structure by requiring the Department of Human Services to **transfer the existing CRISP Shared Services HIE contract to the HDU within 30 days of enactment**. It also mandates that all current and future HIE-related grant funds be transferred to the HDU within 30–60 day**s**, ensuring that the entity responsible for managing the HIE also maintains full fiscal control.

Third, the bill amends Title 33 to **increase the emergency services surcharge from $2.00 to $2.50**, with **20% of the annual proceeds allocated to the HDU**. This reflects the critical role that real-time health data plays in emergency response. The HDU's Executive Director is also added to the Emergency Services Fund governance structure.

Finally, the HDU is authorized to **accept grants, gifts, and pledges**. While the HDU may eventually charge modest participant fees, these can only be implemented after the board approves a **CMS-compliant cost-allocation and sustainability plan**. Until then, no fees may be charged. This approach ensures that the HDU begins with federal dollars, existing contract funds, and a stable revenue source—**not with unpredictable draws on the General Fund or new financial burdens on providers**.

This funding strategy aligns with federal best practices and ensures that the Territory builds a system that is both **affordable to launch and sustainable to maintain** over time.

IN LAYMAN'S TERMS: WHAT THIS MEANS FOR THE PEOPLE



Let me put it simply: Your doctors will finally be able to see your records — all in one place. These are the practical benefits that flow when the governance, powers, participation requirements, patient protections, and the funding structure in Bill 36-0228 are put into place and the HDU and HIE are fully implemented.

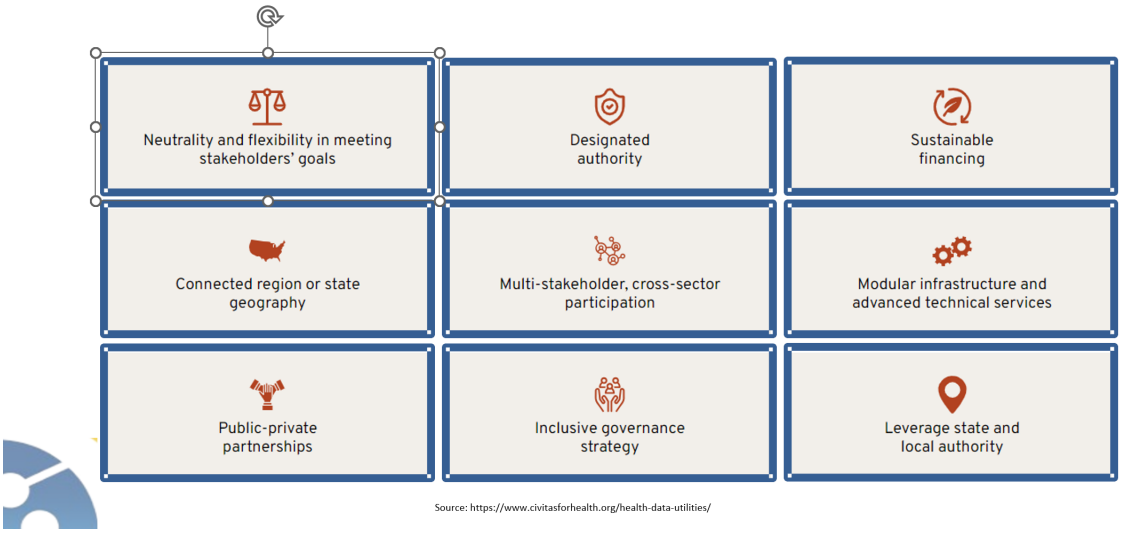
Additional Benefits:

- Hospitals will make faster, safer decisions in emergencies
- Your care will be coordinated whether you are on St. Thomas, St. Croix, St. John, Puerto Rico, or the mainland
- This critical infrastructure will be safeguarded and managed by a group of inclusive stakeholders that depend on its success and include members of the public
- Election cycles won't put this critical infrastructure at risk as it will be housed in a not-for-profit
- And the Territory will save money—potentially millions—by eliminating waste and duplication

We did not make up this structure. Instead, we are learning from past mistakes of other HIEs across the United States and building on what has worked and been successful and lauded as best practice.
This is the healthcare system our people deserve.

U.S. VIRGIN ISLANDS OFFICE OF HEALTH INFORMATION TECHNOLOGY

Key Characteristics of a Health Data Utility



Source: https://www.civitasforhealth.org/health-data-utilities/

ADDRESSING LIKELY CONCERNS

I recognize that members may have concerns about privacy, participation mandates, and the scope of HDU powers.

On privacy, this bill does not weaken existing protections; *it reinforces them* by anchoring data exchange in HIPAA and the 21st Century Cures Act, limiting purposes to health and public-health uses, and requiring regulations to set detailed standards for connectivity, data scope, and use. The opt-out provision, with exceptions for legally required reporting, balances comprehensive data for care and public health with patient autonomy.

On participation, universal inclusion is necessary for the utility model to deliver its full value. The proposed phased requirement is about getting agreements in place and starting the connectivity journey. The HDU, when fully operational and working will provide technical assistance and phased milestones so that small practices and resource-constrained providers are also supported, not penalized, in meeting these new obligations.

On authority and accountability, the HDU's powers are carefully tied to its purposes and limited to what is necessary to build and operate the HIE. Its finances must be audited annually; its board is composed of public officials, private citizens and healthcare leaders; its employees retain retirement and insurance protections; and the Legislature retains the power to require reports, to adjust funding, and to amend the statute if adjustments are needed.

ACKNOWLEDGMENTS & CLOSING

I want to thank this Committee, the full body of the Thirty-Sixth Legislature, Governor Bryan, Lieutenant Governor Roach, and our partners across agencies and healthcare for their commitment to modernizing the Territory's healthcare infrastructure. I specifically want to acknowledge the former Chief of Staff Karl Knight, and former HHS Policy Advisor Dr. Julia Sheen for their and foresight and determination to permanently and positively advance healthcare in the USVI through the creation and empowerment of OHIT to shepherd a critical concept into reality.

Additionally, I must thank the Office of the Legal Counsel and Attorney Michele Baker for their sage guidance, my small team of two, Ms. Kamille Willis and Ms. Cynthia Challenger for being the backbone of this operation, Crisp Shared Services, our Health Information Exchange provider and partner and our extended team members in Public

Consulting Group, Zane Net and net.America for the day-to-day and herculean efforts they have provided and continue to provide.

Finally, I close by acknowledging my 84-year-old mother, Marilyn May, a talented artist, as one of my core inspirations for sticking to this effort when it has seemed impossible. She wants to remain "home" in the USVI and not have to move to the mainland for care as she ages. My two boys, Ari and Rafa, are also central to my drive and motivation to rise to the challenge of this office and the OHIT mission to "serve as the nucleus for innovative and transformative health IT resources and solutions across the USVI in order to improve the health and wellness of Virgin Islanders."

Senators—there has been talk in the USVI about the need for an HIE for nearly 25 years. We finally delivered on the technology through Crisp Shared Services. *But technology alone is not enough. We need governance, funding sustainability, and legislative support.*

Passing this bill is not just a procedural step. It is a transformational act of leadership and sound fiscal investment because it takes the HIE from a pilot project to a permanent, governed, and sustainably funded utility for the people of the Virgin Islands.

Bill No. 36-0228 does not simply create another entity. It creates the backbone for a modern, interoperable, resilient health information environment in the Virgin Islands—one that supports better patient care, stronger public health, more effective Medicaid and insurance operations, and more informed policymaking.

By establishing the Virgin Islands Health Data Utility, defining its governance and powers, mandating broad participation, protecting patient rights, and securing initial and recurring funding, this Legislature would be taking a decisive step toward a safer, smarter, and more equitable health system for our residents.

Ultimately, passage of this bill and the funding of it will:
Save lives.
Lower costs.
Strengthen our healthcare system for generations to come.

I respectfully urge your full support to get Bill No. 36-0228 across the finish line today.

Thank you. I am happy to answer any questions you may have.