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FOR IMMEDIATE RELEASE

CalRHIO RECEIVES \$1 MILLION GRANT FROM SUTTER HEALTH

Funding will support development of statewide health information exchange network that will benefit rural and small hospitals

SAN FRANCISCO, Calif., June 19, 2007 – The California Regional Health Information Organization (CalRHIO) announced today that it has received a \$1 million grant from the Sutter Health network of physicians, hospitals, and other health care service providers to advance secure electronic access to medical records in the state. CalRHIO is the nonprofit statewide initiative to improve health care safety, quality, and efficiency through the use of information technology and the secure, confidential exchange of health information throughout California.

“This grant provides critical funding to help CalRHIO accomplish its goals,” said Don Holmquest, M.D., J.D., CalRHIO’s president and CEO. “We are working to ensure that patients being seen anywhere in the state, regardless of where health care services are delivered, will have the most complete information possible available to their care provider. This is especially important for patients with chronic diseases and in an emergency.”

Currently a patient’s medical information is often stored in paper files at different medical offices or on computer systems that can’t communicate with each other. Research indicates that every day in California, 50,000 or more patients may receive suboptimal care solely because the physician treating them does not have access to critical data.

“As doctors, hospitals, and health systems like ours develop electronic health record systems for patients, it’s essential that these information networks are capable of ‘talking’ to each other, and CalRHIO is leading this effort,” said Sutter Health President and CEO Pat Fry. “Physicians, hospitals, and patients alike will benefit from more informed clinical decisions and better coordination of care that result from secure electronic access to medical records.”

CalRHIO's HIE Utility Service will offer communities that want to enable their health care providers to exchange information an alternative to building and financing their own infrastructure. For communities that have already initiated local health information exchange efforts, the services offered will be compatible and complementary. Providers using the service must be authorized and authenticated and have either obtained a patient's consent or documented an emergency.

"This grant will help ensure rural and small hospitals benefit from the development of this new technological infrastructure, which is vital to improving the delivery of health care in California," said State Treasurer Bill Lockyer, who approved the contribution. "Moving rural and small hospitals to electronic medical record-keeping is a primary objective of the financing agreement my office reached with Sutter. This grant represents a good down payment from Sutter toward fulfilling that commitment."

Sutter Health's grant is part of a multi-million-dollar commitment by the health care system to further pass along savings from tax-exempt bonds to health care consumers. As part of its application to the State Treasurer and the California Health Facilities Financing Authority for nearly \$1 billion in tax-exempt bond financing earlier this year, Sutter Health committed to investing an additional \$8.5 million over six years in technology grants to provide support to rural hospitals for electronic health technology system connectivity and in support for community clinics in Northern California. The grant to CalRHIO will enhance efforts to assist these safety net organizations by providing them with a viable alternative to creating and managing their own HIE projects, as well as ensure interoperability and privacy protection across the state.

Following a rigorous competitive process, CalRHIO selected Medicity and Perot Systems to build the country's largest statewide secure electronic network for health information exchange, subject to final negotiations and agreements. In early May HP joined the CalRHIO effort.

About Sutter Health

Sutter Health is a family of not-for-profit hospitals, physician organizations and other medical services that share resources and expertise to advance health care quality and access.

Serving more than 100 communities in Northern California, Sutter Health is a regional leader in cardiac care, cancer treatment, orthopedics, obstetrics, and newborn intensive care, and is a pioneer in advanced patient safety technology. For more information, visit

www.sutterhealth.org.

About CalRHIO

CalRHIO is an independent, nonprofit organization that serves as a statewide umbrella organization, bringing together health care stakeholders from all over California, to build a secure electronic health care information exchange (HIE) system. For more details see www.calrhio.org.

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