Colleagues,

**Issue:** Today, CMS released a new [State Health Officials (SHO) Letter](https://www.cms.gov) with sub regulatory guidance on the HHS interoperability rules. State Health Officials Letters are intended to provide specific details and guidance to state public health and Medicaid/CHIP officials, and are issued as-needed, usually by the Center for Medicaid and CHIP Services.

**Background:** This SHO letter provides a clear and concise summary of the provisions of the rules that will affect Medicaid, CHIP, and public health, and highlights additional regulatory and sub regulatory guidance necessary for implementation.

States are expressly urged to work with HIEs. From the letter:

“The timeline for compliance with the CMS Interoperability and Patient Access final rule is aggressive, and CMS is committed to providing states with the necessary technical assistance to implement these advancements in improving patient access to their data and interoperability. **States should seriously consider leveraging existing State and Federal investments in health information exchanges (HIEs) to implement these new requirements.** For example, HIEs which might have received funding under the HITECH Act as discussed in SMD# 16-003 from their state Medicaid agency might be in a position to improve patient access to their data, and would, as such, potentially be demonstrating thoughtful re-use as described in SMD#18-005.”

**August has already been an exciting month with HHS rulemaking, grants, and guidance that expressly include HIEs.**

This week, the ONC released the [STAR HIE Notice of Funding Opportunity](https://www.cms.gov) (applications due September 1st), and earlier in August, [CMS’ 2021 Physician Fee Schedule and Quality Payment Program proposed rule](https://www.cms.gov) was released, which proposed a new Promoting Interoperability performance category, the HIE bi-directional exchange measure. SHIEC is preparing comments for early October.

**Next Steps:** SHIEC recommends sharing this letter with your state partners to engage or re-engage with them on this important work. SHIEC also recommends you encourage state partners to attend the 2020 Annual Conference to learn more about what this exciting community is doing.

Thank you, and we are looking forward to seeing you virtually at the SHIEC Annual Conference next week!