

Exhibit 300 (BY2008)

PART ONE	
OVERVIEW	
1. Date of Submission:	2007-02-05
2. Agency:	009
3. Bureau:	90
4. Investment Name:	OS Prototype Nationwide Health Information Network (NHIN) Architectures
5. UPI:	009-90-03-00-01-0002-00
6. What kind of investment will this be in FY2008?	
Planning	
7. What was the first budget year this investment was submitted to OMB?	
FY2005	
8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.	
<p>The National Health Information Network (NHIN) architecture is foundational to the President's vision for widespread adoption of interoperable electronic health records (EHRs) within 10 years. Such records must be standardized, available, and secure. The purpose of the NHIN planning project is to fund a program management office to act as Federal coordinator for a series of NHIN prototype contracts that will facilitate the definition of framework components for a public/private endeavor to support health information exchange across the Nation. In FY2005, a newly created ONC considered possible alternatives for a NHIN. After analysis of various strategies, it was determined that four market-based prototype contracts would be issued with a purpose of testing specialized network functions, security protections, monitoring, & to demonstrate feasibility of alternative solutions. Prototype work will facilitate the refinement of requirements for network services to support the secure transmission of health information. The project will leverage consensus, processes and define standards to support information sharing. If the 4 prototype designs do not define all necessary components, additional design options may be considered and funded. The primary impetus for considering a NHIN is to achieve interoperability of electronic health information used in mainstream delivery of health care in America. It is believed that such interoperability will reduce medical errors & reduce the cost of care. While the American health care delivery system is considered among world's best, it is estimated that medical errors within this delivery system may contribute to the death of 50,000 to 100,000 Americans per year. Many of these may be attributed to inefficiencies from collection, reporting, & sharing of patient information in a timely & effective manner. The various prototype projects will examine technical feasibility & the cost and benefit aspects of implementing such services nationwide. The standardized services would be made publicly available and support the prevention of medical errors, improved quality & value for health care expenses, & lower costs for health care to Americans through commercial adoption. A successful prototype will not be implemented by ONC as the office serves only as a coordinator. Development and/or implementation of a NHIN system is intended to occur through the commercial marketplace.</p>	
9. Did the Agency's Executive/Investment Committee approve this request?	
yes	
9.a. If "yes," what was the date of this approval?	
2006-06-23	
10. Did the Project Manager review this Exhibit?	
yes	
12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.	
no	
12.a. Will this investment include electronic assets (including computers)?	
no	
12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)	
no	
13. Does this investment support one of the PMA initiatives?	

yes	
<i>If yes, select the initiatives that apply:</i>	
Expanded E-Government	
13.a. <i>Briefly describe how this asset directly supports the identified initiative(s)?</i>	
As envisioned by the President, the NHIN prototype project is closely aligned with, CCHIT, HITSP, & HISPC to harmonize standards for electronic info exchange, develop certification criteria to ensure health IT investments meet proper standards; address privacy and security issues; all in an effort to develop models for a national internet-based health information system. With the EHRs at the forefront of the NHIN prototype project.	
14. <i>Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?</i>	
yes	
14.a. <i>If yes, does this investment address a weakness found during the PART review?</i>	
no	
14.b. <i>If yes, what is the name of the PART program assessed by OMB's Program Assessment Rating Tool?</i>	
2007: HRSA - Health Care Facilities Construction	
14.c. <i>If yes, what PART rating did it receive?</i>	
Results Not Demonstrated	
15. <i>Is this investment for information technology (See section 53 for definition)?</i>	
yes	
16. <i>What is the level of the IT Project (per CIO Council's PM Guidance)?</i>	
Level 3	
17. <i>What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)</i>	
(1) Project manager has been validated as qualified for this investment	
18. <i>Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?</i>	
no	
19. <i>Is this a financial management system?</i>	
no	
20. <i>What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)</i>	
Hardware	0
Software	0
Services	100
21. <i>If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?</i>	
n/a	
22. <i>Contact information of individual responsible for privacy related questions.</i>	
<i>Name</i>	
C. Byrne. Huntley	
<i>Phone Number</i>	
202-690-8002	
<i>Title</i>	
Privacy Offical	
<i>Email</i>	
Byrne.Huntley@hhs.gov	
23. <i>Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?</i>	

no

SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY	BY
	-2005	2006	2007	2008
Planning Budgetary Resources	2.250	22.400	60.800	55.800
Acquisition Budgetary Resources	0.000	0.000	0.000	0.000
Maintenance Budgetary Resources	0.000	0.000	0.000	0.000
Government FTE Cost	0.284	0.284	0.284	0.284
# of FTEs	2	2	2	2

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

3. If the summary of spending has changed from the FY2007 President's budget request, briefly explain those changes.

The requested funding for NHIN in the President's FY07 budget request for 2008 was 60.8 million, but was reduced in the FY08 budget request to 55.8 million to make the value more consistent with likely Congressional action.

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Table 2

	Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2005	Mission and Business	Health Care Delivery	Established Office of the	No office	Establish ONC Office	Office established

		Results	Services	Nationwide Coordinator for Health IT			
2	2005	Processes and Activities	Compliance	Performance metrics in place	No measures	Create performance metrics with new management team	Not achieved; new strategic direction for office implemented and management team changed
3	2006	Processes and Activities	Participation	Contracts awarded to winning contractors to build NHIN architecture prototypes.	No contracts awarded	Multiple contracts awarded	Four contracts awarded
4	2006	Processes and Activities	Innovation and Improvement	Approved use-cases that illustrate interoperability scenarios for a functional NHIN prototype (three per prototype) as shown through documented acceptance by the American Health Information Community (AHIC), chaired by Secretary Leavitt.	No baseline from previous year	100% acceptance & approval of three harmonized use-cases	Three harmonized use-cases completed, accepted, and approved
5	2006	Customer Results	Customer Impact or Burden	Information and awareness on the strategy, goals, and progress of the NHIN delivered to the deliberations of the American Health Information Community (AHIC)	No awareness briefings conducted or information disseminated	Deliver two updates annually	Two updates delivered in FY06
6	2006	Technology	User Requirements	Convene public meetings with broad stakeholder representation to share ideas, provide information, establish awareness, and gain stakeholder buy-in,	No forums established or conducted	Conduct 1 Forum with at least 150 people in attendance	1 NHIN Forum conducted with 300 people in attendance

				accelerating secure and seamless exchange of health information across the nation.			
7	2006	Technology	Data Standardization or Tagging	Work closely with other HHS partners including HITSP, CCHIT, and HISPC to develop first round of interoperability standards. Demonstrate achievement by publishing documentation for public review.	No baseline from previous year	Monthly meetings coupled with partner consensus of first round interoperability standards	Published a consensus-based set of harmonized interoperability standards supporting three use-cases
8	2007	Processes and Activities	Innovation and Improvement	Approved deployment plans (one per prototype) as seen through documented acceptance by the NHIN Project Manager.	Zero deployment plans	Three deployment plans	To be done
9	2007	Processes and Activities	Innovation and Improvement	Approved operational plans for a NHIN (one per prototype) as seen through documented acceptance by the NHIN Project Manager.	Zero operational plans	Three operational plans	To be done
10	2007	Processes and Activities	Planning	Approved revenue and cost models for the NHIN prototypes (one per prototype) as seen through documented acceptance by the NHIN Project Manager.	Zero revenue and cost models	Three revenue and cost models	To be done
11	2007	Customer Results	Customer Impact or Burden	Provide information and obtain feedback on the strategy,	2 updates annually	3 updates annually	To be done

				goals, and progress of the NHIN prototype project by delivering regular updates to the deliberations of the AHIC.			
12	2007	Technology	User Requirements	Convene public meetings with broad stakeholder representation to share ideas, provide information, establish awareness, and gain stakeholder buy-in, accelerating secure and seamless exchange of health information across the nation.	Conduct 1 NHIN Forum in FY06	Conduct 2 NHIN Fora in FY07	To be done
13	2007	Technology	Data Standardization or Tagging	Work closely with other HHS partners including HITSP, CCHIT, and HISPC to develop second round of interoperability standards. Demonstrate achievement by publishing documentation for public review.	Monthly meetings coupled with partner consensus of first round interoperability standards	Monthly meetings coupled with partner consensus of second round interoperability standards supporting at least four additional use-cases	To be done
14	2007	Mission and Business Results	Health Care Delivery Services	Prototype NHIN architectures that meet specified criteria of:- Deployed within & across 3 or more distinct health care markets	Zero prototype alternatives	Three prototype alternatives	To be done
15	2007	Processes and Activities	Security	Increase nationwide consensus and utilization of common security and privacy	No nationwide security standards for health information exchange	Complete first consensus-based definition of security requirements for nationwide	To be done

				standards in health information exchange.		health information exchange	
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EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

no

1.a. If no, please explain why?

The NHIN investment is not currently identified in the HHS enterprise architecture (EA). NHIN is not identified in the HHS Enterprise Information Technology Strategic Plan (FY 2003-2008) and is therefore not identified in the HHS EA. The HHS EA is in its initial phases, and is progressing quickly and aggressively. The HHS Chief Enterprise Architect began work on April 7, 2003. The EA Program Team with representatives from each HHS Operating Division (OPDIV), have been staffed and meets regularly. The EA Program Team is collaborating on EA establishment and reference model use, has developed a common EA framework, and is using a segmented approach to implementation. This approach has been approved by the HHS CIO Council - the current governing body of HHS Enterprise Architecture. The first segment of initiatives included in baseline data collection and target architecture development are the enterprise wide initiatives that have the highest strategic importance and present the most significant opportunities for consolidation, integration and implementation of the 'One HHS' vision. This investment is not included in the first segment, and therefore, is not yet identified in the HHS EA. However, appropriate data will be collected for this investment, and it will be added to the HHS EA as part of the business case evaluation process.

2. Is this investment included in the agency's EA Transition Strategy?

no

2.b. If no, please explain why?

This initiative is not identified in the HHS Enterprise Information Technology Strategic Plan (FY 2003-2008). Therefore it has not yet been included in the HHS modernization blueprint. As the enterprise architecture initiative progresses, additional investments will be included in the target architecture, as well as the modernization blueprint.

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	NHIN	Develop prototypes for a Nationwide Health Information Network architecture	Records Management	Record Linking / Association	Record Linking / Association		Internal	7

2	NHIN	Develop prototypes for a Nationwide Health Information Network architecture	Data Management	Data Exchange	Data Exchange		Internal	7
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4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Data Exchange	Component Framework	Data Interchange	Data Exchange	To be Determined following completion of prototypes

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

6. Does this investment provide the public with access to a government automated information system?

no

PART TWO

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2005-11-04

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)

The NHIN Risk Management Plan is aligned to the HHS ONC Risk Management Plan. It states that all vendors must address three types of risks: Technical, Schedule, and Cost. Each NHIN vendor is required to rate each risk and provide a risk management strategy for managing risks that are rated as high priority. On a monthly basis, the vendors submit a monthly status report, which includes the vendor's risks. The vendors meet with ONC Project manager and other ONC support staff and discuss all identified risks and ways for managing them. Subsequent to the Monthly Status Report meeting, there is a follow up meeting with the vendors to track how the identified risk are being managed according to the vendors risk management plan.

COST & SCHEDULE

Does the earned value management system meet the criteria in ANSI/EIA Standard 748?

yes

2.a. What is the Planned Value (PV)?

21.518
2.b. What is the Earned Value (EV)?
17.445
2.c. What is the actual cost of work performed (AC)?
13.821
What costs are included in the reported Cost/Schedule Performance information?
Contractor and Government
2.e. As of date:
2006-07-31
3. What is the calculated Schedule Performance Index (SPI= EV/PV)?
0.81
4. What is the schedule variance (SV = EV-PV)?
-4.072
5. What is the calculated Cost Performance Index (CPI = EV/AC)?
1.26
6. What is the cost variance (CV = EV-AC)?
3.624
7. Is the CV or SV greater than 10%?
yes
7.a. If yes, was it the CV or SV or both?
Both
7.b. If yes, explain the variance.
There has been significant scope creep. There has been increase work scope, but no additional budget. The ONC PMO and the NHIN vendors are scheduled for a rebaseline, which will allow the variances to come within the normal range of tolerance (+-10%). Also, EV credit is only taken when work is approved by the ONC PMO. Currently, work completed has been submitted to the ONC PMO, but there is a significant delay in approving work completed.
7.c. If yes, what corrective actions are being taken?
To address the scope creep a Baseline Change Request approval has been granted by ONC, allowing the contractors to rebaseline accordingly. The ONC PMO has already agreed to a budget increase.
7.d. What is most current Estimate at Completion?
112.816
8. Have any significant changes been made to the baseline during the past fiscal year?
yes