

MAINE STATE LEGISLATURE

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R.O.S.

L.D. 1304

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DATE: 5-29-01

(Filing No. H-620)

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HEALTH AND HUMAN SERVICES

10 Reproduced and distributed under the direction of the Clerk of
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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION**

18
20 COMMITTEE AMENDMENT "A" to H.P. 980, L.D. 1304, Bill, "An
Act to Create the Maine Health Data Processing Center"

22 Amend the bill by inserting after the title the following:

24 'Emergency preamble. Whereas, Acts of the Legislature do not
26 become effective until 90 days after adjournment unless enacted
as emergencies; and

28 'Whereas, action is required to begin the formation and
30 operation of the Maine Health Data Processing Center in a timely
manner in order to process data at a savings to the State; and

32 'Whereas, in the judgment of the Legislature, these facts
34 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
36 necessary for the preservation of the public peace, health and
safety; now, therefore, '

38 Further amend the bill by striking out everything after the
40 enacting clause and before the summary and inserting in its place
the following:

42 'Sec. 1. 10 MRSA c. 102-A is enacted to read:

44 **CHAPTER 102-A**

46 **MAINE HEALTH DATA PROCESSING CENTER**

48 **§681. Authority to establish**

COMMITTEE AMENDMENT

R.O.S.

COMMITTEE AMENDMENT "A" to H.P. 980, L.D. 1304

2 The Maine Health Data Organization, established pursuant to
3 Title 22, chapter 1683, and a nonprofit health data processing
4 entity known as the Maine Health Information Center or a
5 successor organization may form a nonprofit corporation under
6 Title 13-B in order to collect and process health care claims
7 data, to be known as the Maine Health Data Processing Center,
8 referred to in this chapter as the "center." The center shall
9 carry out its purposes in complement to and in coordination with
10 the Maine Health Data Organization and the Maine Health
11 Information Center.

12 The center, is a nonprofit corporation with a public
13 purpose, and the exercise by the center of the powers conferred
14 by this chapter is an essential governmental function.

16 **§682. Function of center**

18 The center shall collect and process health care claims data
19 in coordination with existing state, regional and local agencies.
20 Such efforts must include, but are not limited to, the following:

22 **1. Establishing, maintaining and making available a**
23 **database system.** Establishing, maintaining and making available
24 to the Maine Health Data Organization an all-payor and
25 all-setting health care claims database system in addition to the
26 existing databases of the Maine Health Data Organization. The
27 center shall provide the Maine Health Data Organization with a
28 health care claims database for public dissemination, subject to
29 confidentiality requirements of Title 22, chapter 1683 and the
30 rules adopted pursuant to that chapter, within the time period
31 and in the manner specified by the Maine Health Data Organization;

32 **2. Building claims data.** Building upon the experience and
33 expertise of the Maine Health Data Organization and the Maine
34 Health Information Center to collect, process and maintain health
35 care claims data in a cost-effective manner;

36 **3. Collecting and processing data.** Collecting and
37 processing data from 3rd-party payors, 3rd-party administrators
38 and governmental agencies; and

39 **4. Promoting high-quality and accurate data.** Promoting
40 high-quality and accurate data to support easy and flexible
41 access to the health care database by multiple users under terms
42 and conditions specified by the Maine Health Data Organization.

43 All data collected and processed by the center is the sole
44 and exclusive property of the Maine Health Data Organization for
45 all purposes, including, but not limited to, the determination of
46 what data is confidential. All data is subject to the provisions
47 of Title 22, chapter 1683.

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2 of Title 22, chapter 1683 and rules adopted pursuant to that
3 chapter.

4 **§683. Board of directors; officers**

6 The Board of Directors of the Maine Health Data Processing
7 Center, referred to in this chapter as the "board of directors,"
8 consists of 8 directors. The Maine Health Data Organization
9 board of directors shall elect 3 of the directors from among its
10 members, and the Maine Health Information Center board of
11 directors shall elect 3 of the directors from among its members.
12 The director of the Maine Health Data Organization and the
13 president of the Maine Health Information Center are also ex
14 officio members of the board of directors and are authorized to
15 vote. An elected person may not serve as a director for more
16 than 5 years in succession. The board of directors of the center
17 shall elect a chair and a vice-chair from among its members at
18 the first meeting of the board each year.

20 **§684. General powers**

22 The center may:

24 **1. Application for and receipt of funds.** Apply for and
25 receive funds from any private source or governmental entity by
26 way of grant, donation or loan or in any other manner;

28 **2. Real and personal property.** Purchase, receive, hold,
29 lease or acquire by foreclosure and operate, manage, license and
30 sell, convey, transfer, grant or lease real and personal property
31 together with such rights and privileges as may be incidental and
32 appurtenant to the real and personal property and the use of the
33 real and personal property, including, but not limited to, any
34 real or personal property acquired by the center from time to
35 time in the satisfaction of debts or enforcement of obligations;

36 **3. Expenditures and obligations regarding real and personal**
37 **property.** Make all expenditures and incur any obligations
38 reasonably required in the exercise of sound business principles
39 to secure possession of, preserve, maintain, insure and improve
40 real and personal property or interests in the real and personal
41 property acquired by the center;

44 **4. Contracts and liabilities.** Make contracts, including
45 contracts for services, and incur liabilities for any of the
46 purposes authorized in the contracts;

48 **5. Cooperation with agencies and organizations.** Cooperate
49 with and avail itself of the services of government agencies and
50 the University of Maine System and cooperate, assist and

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2 otherwise encourage organizations, local or regional, private or
3 public, in the various communities of the State in the collection
4 and processing of health care data; and

6 6. **Bylaws.** Adopt bylaws that are consistent with this
7 chapter for the governance of the affairs of the center, have the
8 general powers accorded corporations under Title 13-A, section
9 202 and do all other things necessary or convenient to carry out
10 the lawful purposes of the center.

12 **§685. Limitation of powers**

14 The center does not have power or authority to enter into
15 contracts, obligations or commitments of any kind on behalf of
16 the State or any of its agencies, nor does it have the power of
17 eminent domain or any other power not provided to business
18 corporations generally.

20 **§686. Prohibited interests of officers, directors and employees**

22 An officer, director or employee of the center or the spouse
23 or dependent children of such a person may not receive any direct
24 personal benefit from the activities of the center in assisting
25 any private entity. This section does not prohibit corporations
26 or other entities with which a director is associated by reason
27 of ownership or employment from participating in health care data
28 collection or processing activities with the center as long as
29 the ownership or employment is made known to the board of
30 directors and that director abstains from voting on matters
31 relating to that participation.

32 **§687. Funding**

34 The State, through the Governor, may accept donations,
35 bequests, devises, grants or other interests of any nature on
36 behalf of the center and transfer funds, property or other
37 interests to the center. The Maine Health Data Organization may
38 also provide legislatively authorized funds to the center for the
39 purposes described in sections 681 and 682.

42 **§688. Audit; public access**

44 Before January 1st of each year, the center shall provide an
45 independent audit of the activities of the center to the boards
46 of directors of the Maine Health Data Organization and the Maine
47 Health Information Center. Audits must be done as required by
48 law or by the Department of Administrative and Financial
49 Services. To ensure public accountability, the center is subject
50 to the provisions of Title 1, chapter 13, subchapter I.

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§689. General conditions; dissolution

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The center operates as a nonprofit organization consistent with its composition and broad public purposes. The following conditions apply to the operation or dissolution of the center.

1. Net earnings of center. The net earnings of the center may not inure to the benefit of any officer, director or employee, except that the center is authorized and empowered to pay reasonable compensation for services rendered and otherwise hold, manage and dispose of its property in furtherance of the purposes of the center.

2. Dissolution of center. Upon dissolution of the center, the board of directors shall, after paying or making provision for the payment of all liabilities of the center, cause all of the remaining assets of the center to be transferred to the Maine Health Data Organization and the Maine Health Information Center in shares proportionate to the total revenue transferred to the center by each entity.

§690. Liberal construction

This chapter must be liberally construed and broadly interpreted to effect the interest and purposes of the center for an improved health care data collection and processing effort in the State.

§691. Repeal

This chapter is repealed September 1, 2005.

Sec. 2. Allocation. The following funds are allocated from Other Special Revenue funds to carry out the purposes of this Act.

	2001-02	2002-03
MAINE HEALTH DATA ORGANIZATION		
Maine Health Data Organization		
Positions - Legislative Count	(3,000)	(3,000)
Personal Services	\$175,796	\$181,109
All Other	138,823	286,000
Allocates funds for 2 Programmer Analyst positions and one Planning and Research Associate II position and		

R.O.S.

COMMITTEE AMENDMENT "A" to H.P. 980, L.D. 1304

2 related operating costs to
3 increase access to and
4 improve the utility of health
5 care information and to
6 provide funds for the
7 establishment of the Maine
8 Health Data Processing Center.

10	MAINE HEALTH DATA ORGANIZATION		
	TOTAL	\$314,619	\$467,109

12 **Emergency clause.** In view of the emergency cited in the
13 preamble, this Act takes effect when approved.'

14
15 Further amend the bill by inserting at the end before the
16 summary the following:

	FISCAL NOTE	
	2001-02	2002-03
20		
22	APPROPRIATIONS/ALLOCATIONS	
24	Other Funds	\$467,109
26		\$314,619
28	REVENUES	
30	Other Funds	\$467,109
32		\$314,619

32 This bill authorizes the Maine Health Data Organization and
33 the Maine Health Information Center to establish the Maine Health
34 Data Processing Center as a nonprofit corporation to collect and
35 process health care claims data in coordination with existing
36 state, regional and local agencies.

37
38 This bill includes Other Special Revenue funds allocations
39 of \$314,619 and \$467,109 in fiscal years 2001-02 and 2002-03,
40 respectively, for the Maine Health Data Organization for 2
41 Programmer Analyst positions and one Planning and Research
42 Associate II position and other operating costs associated with
43 increasing access to and improving the utility of health care
44 information and to provide funds for the establishment of the
45 Maine Health Data Processing Center.'

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COMMITTEE AMENDMENT

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SUMMARY

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This amendment replaces the bill. It retains the provisions of the bill that establish the Maine Health Data Processing Center, a nonprofit organization to collect and process health care claims data in Maine. The center is created as a public/private partnership that can capitalize on the interests, resources and efforts of each sector. The center shall carry out its responsibilities with direction from the Maine Health Data Organization and the Maine Health Information Center, a private nonprofit health care data organization. It clarifies that all data handled by the center remains the property of the Maine Health Data Organization. It provides that the center is subject to the Freedom of Access law, the Maine Revised Statutes, Title 1, chapter 13, subchapter I. It provides for auditing. It repeals the chapter of law that establishes and governs the center on September 1, 2005. It adds emergency language. It adds an allocation section and a fiscal note.