

MAINE STATE LEGISLATURE

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HEALTH AND HUMAN SERVICES

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION

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

Amend the bill by striking out everything after the title and before the summary and inserting in its place the following:

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

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

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

Be it enacted by the People of the State of Maine as follows:

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

CHAPTER 102-A

MAINE HEALTH DATA PROCESSING CENTER

COMMITTEE AMENDMENT

§681. Authority to establish

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

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

§682. Function of center

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

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

2. Developing claims-based data. Building upon the experience and expertise of the Maine Health Data Organization and the Maine Health Information Center to collect, process and maintain health care data extracted from claims data in a cost-effective manner;

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

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

All data collected and processed by the center is the sole and exclusive property of the Maine Health Data Organization for all purposes, including, but not limited to, the determination of what data is confidential and what data is available for release to the public. All data is subject to the provisions of Title 22, chapter 1683 and rules adopted pursuant to that chapter.

§683. Board of directors; officers

The Board of Directors of the Maine Health Data Processing Center, referred to in this chapter as the "board of directors," consists of 13 directors.

1. Nominations. The director of the Maine Health Data Organization and the president of the Maine Health Information Center are ex officio members of the board of directors and are authorized to vote. The director and president shall nominate the following representatives for service on the board of directors:

A. One member of the Maine Health Information Center board of directors and one member of the Maine Health Data Organization board of directors;

B. Four representatives of health care providers, 2 of whom must represent hospitals;

C. Two representatives of 3rd-party payors;

D. One representative of consumers of health care; and

E. Two representatives of employers.

2. Election. The names of the representatives nominated under this section must be presented to the boards of directors of the Maine Health Data Organization and the Maine Health Information Center for election to the board of directors.

3. Limitation on terms. An elected person may not serve as a director for more than 5 years in succession.

4. Chairs. The board of directors shall elect a chair and a vice-chair from among its members at the first meeting of the board each year.

5. Manager. The board of directors shall appoint a manager to serve at the pleasure of the board and to represent the board in the management of the center. The manager has the necessary

authority and responsibility for the operational management of the center in all of the activities of the center.

§684. General powers

The center may:

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

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

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

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

5. Cooperation with agencies and organizations. Cooperate with and avail itself of the services of government agencies and the University of Maine System and cooperate, assist and otherwise encourage organizations, local or regional, private or public, in the various communities of the State in the collection and processing of health care data; and

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

§685. Limitation of powers

The center does not have power or authority to enter into contracts, obligations or commitments of any kind on behalf of the State or any of its agencies, nor does it have the power of

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2 eminent domain or any other power not provided to business corporations generally.

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

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

18 **§687. Funding**

20 The State, through the Governor, may accept donations,
22 bequests, devises, grants or other interests of any nature on
24 behalf of the center and transfer funds, property or other
26 interests to the center. The Maine Health Data Organization may
28 also provide legislatively authorized funds to the center for the
30 purposes described in sections 681 and 682.

26 **§688. Audit; public access**

28 Before January 1st of each year, the center shall provide an
30 independent audit of the activities of the center to the boards
32 of directors of the Maine Health Data Organization and the Maine
34 Health Information Center. Audits must be done as required by
36 law or by the Department of Administrative and Financial
38 Services. To ensure public accountability, the center is subject
40 to the provisions of Title 1, chapter 13, subchapter I.

36 **§689. General conditions; dissolution**

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

42 **1. Net earnings of center.** The net earnings of the center
44 may not inure to the benefit of any officer, director or
46 employee, except that the center is authorized and empowered to
48 pay reasonable compensation for services rendered and otherwise
50 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 related operating costs to increase access to and improve the utility of health care information and to provide funds for the establishment of the Maine Health Data Processing Center.		
MAINE HEALTH DATA ORGANIZATION TOTAL	\$314,619	\$467,109

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

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

FISCAL NOTE

	2001-02	2002-03
APPROPRIATIONS/ALLOCATIONS		
Other Funds	\$314,619	\$467,109
REVENUES		
Other Funds	\$314,619	\$467,109

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

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

SUMMARY

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 clarifies that the center will be handling health care data extracted from claims data. It amends the provision on the composition and selection of the board of directors. It provides that the center is subject to the freedom of access laws, the Maine Revised Statutes, Title 1, chapter 13, subchapter I. It provides for auditing. It repeals the chapter

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

2 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.

COMMITTEE AMENDMENT