

# MAINE STATE LEGISLATURE

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**HEALTH AND HUMAN SERVICES**

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**STATE OF MAINE**

**SENATE**

**124TH LEGISLATURE**

**SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 675, L.D. 1761, Bill, "An Act To Authorize a General Fund Bond Issue To Create a New Electronic Medical Records Infrastructure"

Amend the bill by striking out the title and substituting the following:

**'An Act To Authorize a General Fund Bond Issue To Create a New Electronic Medical Records Infrastructure and To Establish the Electronic Medical Records Infrastructure Program'**

Amend the bill by inserting after the enacting clause and before section 1 the following:

**'PART A'**

Amend the bill in section 1 in the 3rd line (page 1, line 8 in L.D.) by striking out the following: "Act" and inserting the following: 'Part'

Amend the bill in section 3 in the 2nd line from the end (page 1, line 22 in L.D.) by striking out the following: "Act" and inserting the following: 'Part' and in the last line (page 1, line 23 in L.D.) by striking out the following: "Act" and inserting the following: 'Part'

Amend the bill in section 4 in the 2nd line (page 1, line 25 in L.D.) by striking out the following: "Act" and inserting the following: 'Part'

Amend the bill in section 5 in the 2nd line (page 1, line 28 in L.D.) by striking out the following: "Act" and inserting the following: 'Part' and in the 2nd and 3rd lines (page 1, lines 28 and 29 in L.D.) by striking out the following: "Department of Administrative and Financial Services" and inserting the following: 'Finance Authority of Maine'

Amend the bill by striking out all of section 6 (page 1, lines 30 to 40 in L.D.) and inserting the following:

**COMMITTEE AMENDMENT**

**'Sec. 6. Allocations from General Fund bond issue.** The proceeds of the sale of the bonds authorized under this Part must be expended as designated in the following schedule.

**FINANCE AUTHORITY OF MAINE**

Provides funds for grants and low-interest loans to health care providers for the purchase of software and hardware necessary to exchange patients' health care records electronically and for technical assistance with the implementation of an electronic medical records infrastructure.	\$10,000,000
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Amend the bill in section 7 in the last line (page 2, line 3 in L.D.) by striking out the following: "Act" and inserting the following: 'Part'

Amend the bill in section 9 in the 3rd line (page 2, line 10 in L.D.) by striking out the following: "Act" and inserting the following: 'Part'

Amend the bill in section 10 in the 2nd line (page 2, line 15 in L.D.) by striking out the following: "Act" and inserting the following: 'Part' and in the last line (page 2, line 19 in L.D.) by striking out the following: "Act" and inserting the following: 'Part'

Amend the bill in section 10 by striking out all of the question (page 2, lines 20 to 22 in L.D.) and inserting the following:

"Do you favor a \$10,000,000 bond issue to provide grants and low-interest loans to health care providers for the purchase of software and hardware necessary to exchange patients' health care records electronically and for technical assistance with the implementation of an electronic medical records infrastructure?"

Amend the bill in section 10 in the 2nd indented paragraph in the 3rd line from the end (page 2, line 28 in L.D.) by striking out the following: "Act" and inserting the following: 'Part' and in the 2nd line from the end (page 2, line 29 in L.D.) by striking out the following: "Act" and inserting the following: 'Part'

Amend the bill in section 10 in the last indented paragraph in the 2nd line (page 2, line 32 in L.D.) by striking out the following: "Act" and inserting the following: 'Part'

Amend the bill by inserting at the end before the summary the following:

**'PART B**

**Sec. B-1. 10 MRSA c. 1057** is enacted to read:

**CHAPTER 1057.**

**ELECTRONIC MEDICAL RECORDS INFRASTRUCTURE PROGRAM**

1 **§9601. Definitions**

2 As used in this chapter, unless the context otherwise indicates, the following terms  
3 have the following meanings.

4 **1. Fund.** "Fund" means the Electronic Medical Records Infrastructure Program  
5 Fund established in section 9603.

6 **2. Primary health care provider.** "Primary health care provider" means an  
7 individual or for-profit or nonprofit corporation or partnership within the State that  
8 provides health care services in the general practice of medicine, family practice of  
9 medicine, general internal medicine, general pediatrics, general dentistry or obstetrics and  
10 gynecology, but does not include a hospital or a health care practice affiliated with a  
11 hospital.

12 **3. Program.** "Program" means the Electronic Medical Records Infrastructure  
13 Program established in section 9602.

14 **4. Qualified recipient.** "Qualified recipient" means any individual or corporation or  
15 partnership within the State that meets criteria established by the State Coordinator under  
16 section 9604, subsection 3 and demonstrates a financial need for a loan or grant to assist  
17 with the purchase of the software and hardware necessary to establish a medical records  
18 infrastructure to exchange patients' health care records electronically.

19 **5. Regional extension center.** "Regional extension center" means the entity  
20 designated by the United States Department of Health and Human Services, Office of the  
21 National Coordinator for Health Information Technology to provide technical assistance  
22 with the implementation of an electronic medical records infrastructure.

23 **6. State Coordinator.** "State Coordinator" means the individual designated by the  
24 Governor to serve as the coordinator for health information technology in the State.

25 **§9602. Program established**

26 There is established the Electronic Medical Records Infrastructure Program to  
27 provide assistance in the form of loans to qualified recipients in order to implement an  
28 electronic medical records system in the State that allows health care providers to  
29 exchange patients' health care records electronically. Grants under the program must be  
30 used to provide technical assistance with the implementation of an electronic medical  
31 records infrastructure.

32 **§9603. Fund established**

33 **1. Creation of fund.** There is established the Electronic Medical Records  
34 Infrastructure Program Fund, which must be used to provide funding for loans and grants  
35 to qualified recipients within the State in order to purchase the software and hardware  
36 necessary to implement an electronic medical records infrastructure to exchange patients'  
37 health care records electronically and for other purposes as allowed under this chapter  
38 and for technical assistance to implement the electronic medical records infrastructure.  
39 The fund must be deposited with and maintained by the Finance Authority of Maine and  
40 administered by the State Coordinator. The fund must receive bond proceeds approved  
41 for that purpose, interest accrued on the fund balance, funds received in repayment of  
42 loans and other funds designated for the purposes of the fund, and may receive General

1 Fund appropriations. The fund is a nonlapsing revolving fund. All money in the fund  
2 must be continuously applied to carry out the purposes of this chapter.

3 2. Separate accounts. The Finance Authority of Maine may divide the fund into  
4 separate accounts that it determines are necessary or convenient for carrying out the  
5 purposes of this chapter.

6 3. Administrative expenses. The costs and expenses of maintaining, servicing and  
7 administering the fund may be paid out of the fund.

8 **§9604. Administration**

9 1. Receipt of money and property. The State Coordinator may accept and receive  
10 for deposit to the fund gifts, grants, bequests or devises from any source, including funds  
11 from the Federal Government or any of its political subdivisions.

12 2. Administration of loans and grants. The State Coordinator shall administer  
13 loans and grants from the fund in accordance with criteria established under subsection 3  
14 in order to carry out the purposes of this chapter. The State Coordinator shall establish an  
15 application process for the award of loans and grants, select qualified recipients and  
16 facilitate the provision of technical assistance to implement an electronic medical records  
17 infrastructure. The regional extension center may advise the State Coordinator in the  
18 administration of the program. The State Coordinator may contract with the Finance  
19 Authority of Maine for administrative and underwriting services.

20 3. Adopt criteria. The State Coordinator shall adopt criteria for determining  
21 qualified recipients and for loans and grants under the program.

22 4. Rules. The State Coordinator may adopt rules to carry out the purposes of this  
23 chapter. Rules adopted pursuant to this subsection are routine technical rules as defined  
24 by Title 5, chapter 375, subchapter 2-A.

25 **§9605. Loans and grants**

26 1. Purposes. Loans and grants from the fund may be made only:

27 A. Regarding loans, for investment in an electronic medical records infrastructure;  
28 and

29 B. Regarding grants, for technical assistance with the implementation of the  
30 electronic medical records infrastructure in paragraph A.

31 2. Maximum amount of loans and grants. The maximum amount of a loan or a  
32 grant from the fund is \$100,000 for a primary health care provider and \$500,000 for a  
33 hospital or a health care practice affiliated with a hospital. A qualified recipient may  
34 receive both a grant and a loan.

35 3. Criteria. Loans and grants must be provided to qualified recipients based on  
36 criteria established under section 9604, subsection 3 and the applicant's financial need for  
37 the loan or grant. The individual, corporation or partnership must demonstrate  
38 creditworthiness and, for a loan, repayment abilities. The State Coordinator shall  
39 determine loan terms, conditions and interest rates.

1 **4. Grants for technical assistance.** The State Coordinator shall contract with the  
2 regional extension center to provide technical assistance with the implementation of an  
3 electronic medical records infrastructure for all grants awarded under the program.

4 **Sec. B-2. Contingent effective date.** This Part takes effect only if the General  
5 Fund bond issue proposed in Part A is approved by the voters of the State.'

6 Amend the bill by relettering or renumbering any nonconsecutive Part letter or  
7 section number to read consecutively.

8 **SUMMARY**

9 This amendment changes the wording of the bond issue to reflect its use for grants  
10 and loans. The amendment establishes the Electronic Medical Records Infrastructure  
11 Program and the Electronic Medical Records Infrastructure Program Fund. The fund will  
12 be deposited with and maintained by the Finance Authority of Maine and administered by  
13 a person designated by the Governor as the State Coordinator. The fund will provide  
14 loans to qualified recipients within the State to purchase the software and hardware  
15 necessary to establish an electronic medical records infrastructure that will allow health  
16 care providers to exchange patients' health care records electronically. The fund will  
17 provide grants to qualified recipients for technical assistance with the implementation of  
18 an electronic medical records infrastructure. The amendment makes the establishment of  
19 the Electronic Medical Records Infrastructure Program contingent upon passage of the  
20 bond issue.

21 **FISCAL NOTE REQUIRED**

22 (See attached)



# 124th MAINE LEGISLATURE

LD 1761

LR 2327(02)

## An Act To Authorize a General Fund Bond Issue To Create a New Electronic Medical Records Infrastructure

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Health and Human Services

Fiscal Note Required: Yes

### Fiscal Note

Current biennium cost increase - General Fund

Bond Issues	Term (years)	Principal	Rate (%)	Interest	Total Cost
General Fund - Taxable	10	\$10,000,000	4.5%	\$2,475,000	\$12,475,000

Referendum Costs	Month/Year	Election Type	Question	Length
	Nov-10	General	Bond Issue	Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of \$107,250 may be required.

#### Fiscal Detail and Notes

Because this legislation allows for the costs and expenses of maintaining, servicing and administering the fund to be paid out of the fund, there is no net fiscal impact to the Finance Authority of Maine.