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February 4, 2026

Senator Ingwersen, Chair
Representative Meyer, Chair
Members, Joint Standing Committee on Health and Human Services
100 State House Station
Augusta, ME 04333-0100

Re: LD 2154 — *An Act to Establish the Health Information Technology Fund to Support a State-designated Statewide Health Information Exchange*

Senator Ingwersen, Representative Meyer and members of the Joint Standing Committee on Health and Human Services:

Thank you for the opportunity to provide information neither for nor against LD 2154, *An Act to Establish the Health Information Technology Fund to Support a State-designated Statewide Health Information Exchange*.

This bill establishes a \$1.8 million dollar Health Information Technology Fund within the Department of Health and Human Services to support the operation and sustainability of a state designated statewide Health Information Exchange (HIE) and to leverage the State's federal matching fund opportunity.

A statewide HIE is an essential component of Maine's health information infrastructure. The HIE strengthens Maine's healthcare system by linking individuals' clinical information from unaffiliated healthcare sites to create a single Electronic Health Record (EHR) that allows authorized providers across the state to better support and coordinate patient care. The Office of MaineCare Services (OMS) incentivizes and, in some cases, requires MaineCare provider participation and data sharing with the HIE through programs intended to improve health outcomes and reduce costs by improving coordination of care. DHHS also uses the aggregate information consolidated in the HIE to develop and advance population health efforts, care coordination programs, and delivery system reform initiatives.

When it comes to long-term funding options for the HIE, the Department has secured enhanced Federal Financial Participation (FFP) under an agreement with Centers for Medicare & Medicaid Services (CMS) known as an Operational Advanced Planning Document. Under this agreement, eligible state funding can draw down federal match at a rate of 25 percent state to 75 percent federal funds. To leverage this agreement fully, the state must have eligible state funds to draw down the federal dollars. The SFY 2024 supplemental budget, appropriated \$1.7 million in general funds to maintain financial stability for the HIE through September 2025 using this federal approval. With the federal participation, this afforded a \$6.8 million (all funds) investment. This bill's proposed state funding of \$1.8 million, if all of it were eligible for FFP, would allow \$7.2 million (all funds) of HIE operating costs to be covered through Medicaid,

annually. Of note, the current Cost Allocation Methodology (CAM) used to determine the allocation of operating expenses that may be funded by Medicaid is subject to change and contingent on ongoing CMS approval.

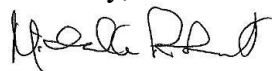
In an effort to establish a more sustainable funding source for the HIE that would leverage federal match and limit increases that health care providers have to shoulder with participant fees, the Department submitted a budget initiative last session to create a Health Information Technology Fund funded by an assessment on hospital inpatient services. The assessment would have replaced hospital participant fees, reducing hospital costs for HIE participation in the majority of cases. It could have been used for HIE operations, along with other Medicaid-related HIT projects that would be eligible for Medicaid FFP. This initiative was rejected. Since that time, the Department has been exploring options for securing state share and offers information on other alternatives to consider.

In the short term, the Department included funding to support the operations of the HIE within the proposed budget for the recently awarded Rural Health Transformation Program. This support is anticipated to be \$1.25 million for Federal Fiscal Year 2026, subject to final CMS approval. In addition to this RHTP funding, the Department intends to maintain existing levels of contract for services HIN provides to the Department, totaling over \$1 million in state and federal funds combined. There may also be the opportunity for future investment in new HIN initiatives that would be of benefit to the Department and the State of Maine.

The Department recommends using the federal resources from the RHTP grant rather than committing additional on-going general funds at this time. In the longer term, there are additional pathways to consider for the source of state share that may balance state general fund investment with other contributions. The Department is open to working with the sponsor and HIN on this bill to better meet these goals.

Please feel free to contact me if you have any questions during your deliberation of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle Probert", with a stylized flourish at the end.

Michelle Probert

Director

Office of MaineCare Services

Maine Department of Health and Human Services