



## Testimony In Support of the Governor's Change Package: \$1.7M State Match to Sustain the Operations of the State-Designated Health Information Exchange

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Good afternoon, Chair Rotundo, Chair Sachs, and honorable members of the Appropriations and Financial Affairs Committee.

I am pleased to be before you today to testify in strong support of the Governor's Change Package proposed funding for the State-designated Health Information Exchange. I cannot stress strongly enough the importance of approving this state match this session. To be frank, the consequence of not providing this state match could be devastating to Maine's HIE both in the short- and long-term.

### Background

**The Governor's Change Package (p.37) provides a one-time state match of \$1.7M to secure the already federal funding that would ensure the continued operations of the State-designated Health Information Exchange (HIE).**

The Maine Department of Health and Human Services (Maine DHHS) applied for federal funding through the U.S. Centers for Medicare and Medicaid Services (CMS) to sustain the operations of Maine's statewide HIE. The funding, which represents significant amount of the HIE's total annual budget, was awarded by CMS to Maine DHHS in November 2023. As part of the CMS funding requirements, the state is required to provide a financial match. In Maine's application, it noted that HealthInfoNet, the independent, nonprofit organization that operates the statewide HIE, would provide a donation to cover this match. Recently, CMS advised of a regulatory hurdle to allowing the match to come from a private source in lieu of the state itself. **This newfound barrier is now threatening the continued sustainability of Maine's HIE.**

**Without this state match, Maine's statewide HIE faces severe operational cutbacks beginning as soon as next month (May), threatening the survival of the HIE.**

### What Is the State-Designated Health Information Exchange & Why Is It Important?

**Maine's HIE is designed to link an individual's health information from unaffiliated healthcare providers to create a single statewide electronic health record. This allows authorized healthcare providers working across the state to better access all a patient's health information to support and coordinate the care they provide to individuals.**

Maine's statewide HIE is governed by 22 MRSA §1711-C, among other state and federal laws, and is recognized as a national leader in helping to create system-wide improvements in patient care and population health. It currently brings together vital health information from all the state's hospitals, federally qualified health centers, most outpatient locations and post-acute and long-term care facilities, behavioral health centers, social service agencies, and community-based organizations, as well as MaineCare, Maine Centers for Disease Control and Prevention (Maine CDC), and Maine Department of



Corrections, among other sources. Currently, the HIE contains health records for more than 2 million individuals (both in-state and out-of-state residents), which are made available to over 8,500 healthcare staff to help improve the safety, quality, and delivery of care they provide to Maine people.

**Maine's HIE provides a suite of unique and comprehensive services that enable providers throughout the state in providing data-informed health care coordination and management.**

### **Why Did the Office of MaineCare Services (OMS) Apply for Federal Funding for the HIE?**

Due to the significant benefit offered by Maine's HIE to the state's Medicaid member population, providers, and to MaineCare operations, OMS proposed the HIE as a critical piece of Medicaid infrastructure to CMS. CMS agreed and awarded Maine DHHS with one of the highest proportional amounts of federal funding of any state, up to 98.7% of the annual HIE budget (~\$7M/yr) with a required 50% match until the HIE receives CMS certification at which time that will decrease retroactively to 25%.

**CMS awarded these funds because the data and the HIE's management of the data have improved results and reduced costs under Medicaid, Medicare, and a broad spectrum of public health programs.**

### **What Happens If the Legislature Does Not Approve the \$1.7M State Match This Session?**

While the recognition of Maine's HIE by CMS as a critical piece of Medicaid infrastructure is an enormous accomplishment, the delay by CMS to address their own regulatory hurdles regarding the state match has put the HIE at serious financial risk. While HealthInfoNet, the independent, nonprofit organization that operates the HIE, has been able to leverage financial reserves to maintain the HIE's operations for several months, **the HIE will need to drastically reduce its expenditures as soon as next month (May) if the state match – and the corresponding federal funding – is not realized. This includes reducing important services, which not only threatens the long-term viability of the statewide HIE, but also will negatively impact the safety, quality, and delivery of patient care throughout the state.**

### **What Is HealthInfoNet?**

HealthInfoNet is an independent, 501(c)3 nonprofit organization that has operated the State-designated Health Information Exchange (HIE) in Maine since 2006. Its 24-employee organization is responsible for securely connecting hundreds of healthcare locations throughout the state to an information system that assures that individuals' health records are secure, complete and available to their doctors, nurses, and other clinicians.

