



Testimony In Support of the Governor's Budget Package: up to \$1.8M to support the creation of a HIT Fund that will support the State Designated Statewide Health Information Exchange (HIE)

*Shaun Alfreds
Executive Director & CEO, HealthInfoNet
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Good morning Appropriations and Financial Affairs Chairs Senator Rotundo & Representative Gattine, Health and Human Services Chairs Senator Ingwersen and Representative Meyer and honorable members of the Joint Appropriations and Financial Affairs and Health and Human Services Committees.

My name is Shaun Alfreds and I am the Executive Director and CEO of HealthInfoNet, the operator of the state designated statewide health information exchange referred to as the HIE.

I am pleased to be before you today to testify in strong support of the Governor's Biennial Budget proposed funding for a State HIT Fund that supports the HIE.

Background

The Governor's Budget Section WW, amending 22 MRSA § 9067 (p.104) establishes a hospital assessment of up to \$1.8M per year to secure the already approved 3:1 match of federal funding that would ensure the continued operations of the HIE. The hospital assessment would replace the existing fees paid directly to HealthInfoNet by the hospitals and will save them 55% a year, over what they paid HIN directly in 2025.

HealthInfoNet is an independent, 501(c)3 nonprofit organization that has operated the HIE in Maine since 2006. Maine's HIE links an individual's health information from unaffiliated healthcare providers to create a single statewide patient electronic health record improving the coordination of the patient's care which leads to better health outcomes.

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 acute hospitals, federally qualified health centers, most outpatient locations and post-acute and long-term care facilities, behavioral health centers, social service agencies, community-based organizations, as well as MaineCare, Maine Centers for Disease Control and Prevention (Maine CDC), the Maine Department of Corrections, the Veterans Administration (VA), among other sources. Currently, the HIE contains health records for more than 2.2 million individuals (both in-state and out-of-state residents), which are made available to over 8,500 healthcare clinicians and 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 to deliver data-informed health care coordination and management.



Recognizing this, the Maine Department of Health and Human Services (Maine DHHS) applied for and was awarded federal funding through the U.S. Centers for Medicare and Medicaid Services (CMS) to sustain the operations of Maine's HIE.

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

The CMS funding conditions, which is a 3:1 federal/state financial contribution, requires the state to provide a match. CMS directed that the match must come from the state itself, not from HealthInfoNet. For FY 2025, the legislature approved \$1.7M in funding from the Supplemental Budget while the State and HealthInfoNet worked to develop a sustainable budget neutral way to fund the annual match for FY 2026/2027.

The Department determined that a hospital assessment was the most simple, equitable, and budget neutral solution.

What Happens If the Legislature Does Not Approve the HIT Fund for State Match This Session?

Unprecedented financial pressures facing all health care delivery system providers and decreasing state revenues have forced many providers in our State to reduce needed services just to "keep the lights on". By supporting the 3:1 federal match, HealthInfoNet can directly and immediately reduce the financial burden on hospitals while continuing to provide clinicians across our state vital information they need to provide high quality care. Without this state match, HealthInfoNet would need to significantly raise its fees on the already over-burdened provider community, potentially putting them in a position of withdrawing from the HIE and likely leading to HealthInfoNet's financial insolvency, impacting the quality and safety of health care for all Maine residents.

Thank you for the opportunity to provide our testimony in support of the HIT Fund. We urge you to support this initiative.

