

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2332

That the House recede from its amendments on pages 1258-1260 of the Senate Journal and pages 1126 and 1127 of the House Journal and that Engrossed Senate Bill No. 2332 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 6-09 and two new sections to chapter 23-01 of the North Dakota Century Code, relating to Bank of North Dakota loan funds for health information technology, creation of a health information technology office, and health information exchange grants; to amend and reenact section 23-01-31 of the North Dakota Century Code, relating to the North Dakota health information technology steering committee; to provide an appropriation; to provide for transfers; to provide for a report to the legislative council; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

**Health information technology loan fund - Appropriation.**

1. The health information technology loan fund is established in the Bank for the purpose of providing loans to health care providers to purchase and upgrade electronic health record technology, train personnel in its use, and improve security of information exchange. This fund is a revolving loan fund. All moneys transferred into the fund, interest upon moneys in the fund, and collections of interest and principal on loans made from the fund are appropriated for disbursement according to this section.
2. The Bank shall make loans from this fund to health care providers as approved by the health information technology office in accordance with the criteria established by the health information technology steering committee under section 23-01-31. A loan made under this fund must be repayable over a period of ten years.
3. The Bank shall administer the health information technology loan fund. Funds in the loan fund may be used for loans as provided under this section and the costs of administration of the fund. Annually, the Bank may deduct a service fee for administering the revolving loan fund maintained under this section.
4. An application for a loan under this section must be made to the health information technology office. The health information technology office may approve the application of a qualified applicant that meets the criteria established by the health information technology steering committee. The health information technology office shall forward approved applications to the Bank. Upon approval of the application by the Bank, the Bank shall make the loan from the revolving loan fund as provided under this section.
5. The Bank may do all acts necessary to negotiate loans and preserve security as deemed necessary, to exercise any right of redemption, and to bring suit in order to collect interest and principal due the revolving loan fund under mortgages, contracts, and notes executed to obtain loans under

this section. If the applicant's plan for financing provides for a loan of funds from sources other than the state of North Dakota, the Bank may take a subordinate security interest. The Bank may recover from the revolving loan fund amounts actually expended by the Bank for legal fees and to effect a redemption.

**SECTION 2. AMENDMENT.** Section 23-01-31 of the North Dakota Century Code is amended and reenacted as follows:

**23-01-31. North Dakota health information technology steering committee - Duties - Loan and grant programs.**

1. The North Dakota health information technology steering committee consists of the state health officer or the state health officer's designee, the governor or the governor's designee, the executive director of the department of human services or the executive director's designee, and nine individuals appointed by the governor to represent state government interests, and individuals appointed by the state health officer to represent health information technology stakeholders.
2. The health information technology steering committee shall:
  - a. Apply for federal funds that may be available to assist the state, health care entities, and health care providers in implementing and improving health information technology.
  - b. Establish a health information technology loan program to provide loans to health care providers for the purpose of purchasing and upgrading certified electronic health record technology, training personnel in the use of such technology, and improving the secure electronic exchange of health information under section 1 of this Act.
  - c. Establish a grant program for the health information technology office to provide grants from the electronic health information exchange grant fund to facilitate and expand electronic health information exchange.
  - d. Establish an application process and eligibility criteria for loans and grants under subdivisions b and c.
  - e. Consult with the information technology department regarding the health information technology infrastructure of the state.

**SECTION 3.** Two new sections to chapter 23-01 of the North Dakota Century Code are created and enacted as follows:

**Health information technology office.** The health information technology office is created in the state department of health. The health information technology steering committee and the information technology department shall make recommendations to the health information technology office for implementing a statewide interoperable health information infrastructure that is consistent with emerging national standards, promote the adoption and use of electronic health records and other health information technologies, and promote interoperability of health information systems for the purpose of improving health care quality, patient safety, and the overall efficiency of health care and public health services. The health information technology office shall accept and process applications for loans from the health information technology loan fund as provided under section 1 of this Act and section 23-01-31 and for grants from the electronic health information exchange grant fund. The health information technology office shall provide or arrange for administrative services to assist the health information technology steering committee.

### **Electronic health information exchange grant fund.**

1. There is created an electronic health information exchange grant fund. The fund consists of moneys deposited in the fund from federal or other sources or moneys transferred into the fund as directed by the legislative assembly. The health information technology office shall administer this grant fund as provided by the health information technology steering committee and shall distribute funds accordingly. The grants must be used to facilitate and expand electronic health information exchange. Moneys in the fund may be used, subject to legislative appropriations, for grants as provided under this section and the costs of administration of the fund.
2. A grant applicant shall submit an application to the health information technology office, which shall determine the applicant's eligibility based upon criteria established by the health information technology steering committee.
3. This section does not create an entitlement to any funds available for grants under this section. The health information technology office may award these grants to the extent funds are available and, within the office's discretion, to the extent such applications are approved.

**SECTION 4. HEALTH INFORMATION TECHNOLOGY OFFICE AND HEALTH INFORMATION TECHNOLOGY STEERING COMMITTEE - REPORT TO LEGISLATIVE COUNCIL.** Before October 2010 the health information technology office and health information technology steering committee shall report to the legislative council on the status of the health information technology activities.

**SECTION 5. BANK OF NORTH DAKOTA TRANSFERS.** The industrial commission shall transfer, during the period beginning with the effective date of this Act and ending June 30, 2011, as requested by the state health officer, up to \$1,000,000 from the current earnings and the accumulated undivided profits of the Bank of North Dakota to the health information technology loan fund to meet any required match for federal funds and up to \$5,000,000 from the current earnings and the accumulated undivided profits of the Bank of North Dakota to the electronic health information exchange grant fund to meet any required match for federal funds.

**SECTION 6. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the state department of health for the purpose of defraying the costs of the health information technology office and advisory committee, for the period beginning with the effective date of this Act and ending June 30, 2011.

**SECTION 7. APPROPRIATION.** There is appropriated out of any moneys in the electronic health information exchange grant fund, not otherwise appropriated, the sum of \$38,500,000, or so much of the sum as may be necessary, including up to \$35,000,000 of federal funds deposited in the fund from the federal American Recovery and Reinvestment Act of 2009 to the state department of health for the purpose of providing grants to facilitate and expand electronic health information exchange, for the period beginning with the effective date of this Act and ending June 30, 2011.

**SECTION 8. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly