# APPENDIX L. LOAN PROGRAMS

This appendix provides a summary of loan programs which are available to ineligible providers. Program highlights are presented in table format followed by a narrative description of the programs offered in North Dakota and Minnesota. The last section includes a summary of proposals advanced by various stakeholders to make available various loan programs to support the use of EHRs by ineligible health providers.

## A. Program Highlights

| Authority and Funder | Description | Recipient: State Provider | Geographic Location | Provider Type Impacted | Amount (if known) |
|---|---|---|---|---|---|
| State Revolving Loan<br>- North Dakota<br>- Maine<br>- Minnesota | ND: Low-interest loans to health care entities to build their health IT infrastructure available to both eligible and ineligible providers.[a] | Provider | ND | Standalone individual practitioner including long-term care facilities<br><br>Hospital and multi-professional entities<br><br>Entities with 3 or more commonly owned facilities | $125,000<br><br>$625,000<br><br>$1,250,000 |
| | ME: Bond funding for the purchase of software and the hardware necessary for health care providers to exchange patients' health care records electronically.[b] | | ME | Health Care Providers | $10,000,000 bond available |
| | MN: Loan program to help finance the implementation or support of interoperable EHR systems. Loan funds are primarily intended for EHR software, hardware, training and support expenses. Six year, no-interest loans available.[c] | | MN | Priority to:<br>- Critical access hospitals;<br>- Federally qualified health centers;<br>- Skilled nursing facilities;<br>- Entities that serve uninsured, underinsured and medically underserved individuals;<br>- Individual or small group practices that are primarily focused on primary care. | |

a. See http://www.healthit.nd.gov/loan-program/.
b. See http://www.mainelegislature.org/legis/bills/bills_124th/billpdfs/SP067501.pdf.
c. See http://www.health.state.mn.us/divs/orhpc/funding/index.html#ehrloan.

## B. Program Summary

*North Dakota*: North Dakota provides an example of a state offering low-interest loans to health care entities to build their health IT infrastructure.[1] Ineligible providers may apply for the loan program including but not limited to:[2] rural health clinics, long-term care facilities, emergency medical services/ambulance providers, pharmacies and others.

Eligible projects for the loan program include:[3]

- Purchase, installation and/or support of software and hardware required to implement a fully functional, standards-based, interoperable electronic health records systems certified (if available for your provider type) by the Office of National Coordinator's Authorized Certification Bodies (ONC-ACBs).[4]
- Electronic medication history and electronic patient medical history information system.
- Electronic personal health records for persons with chronic diseases and for prevention services.
- Electronic prescribing, including pharmacy systems.
- Other electronic systems needed to meet "meaningful use".

*Minnesota*: The Minnesota Department of Health-Office of Rural Health and Primary Care administers an electronic health record (EHR) loan program to help finance the implementation or support of interoperable EHR systems. Loan funds are primarily intended for EHR software, hardware, training and support expenses.

Loans are six-year, no-interest with the first year's repayment deferred. Eligible entities: federally qualified health centers; community clinics; nonprofit or local units of government hospitals; individual or small group physician practices that are primarily focused on primary care; nursing facilities and local public health departments.

*Note: Priority will be given to the following applicants: critical access hospitals; federally qualified health centers; skilled nursing facilities; entities that serve uninsured, underinsured and medically underserved individuals (urban or rural); and individual or small group practices that are primarily focused on primary care.* The commissioner has the authority to approve other providers of health or health care services when

[1] North Dakota Health Information Technology. North Dakota HIT Planning Loan Program: Program Guidance. http://www.healthit.nd.gov/files/2011/07/ND2012-Planning-Loan-Program-June-2012.pdf accessed June 1, 2012.

[2] Ibid. (North Dakota HIT Planning Loan Program)

[3] Ibid. (North Dakota HIT Planning Loan Program)

[4] The Office of the National Coordinator Certified Health IT Product List webpage. http://oncchpl.force.com/ehrcert.

interoperable electronic health record capability would improve quality of care, patient safety or community health.[5]

## C. Proposals to Make Available Loans for EHRs for Ineligible Providers

The following table identifies some proposals from some stakeholders to make available loans to support the costs related to EHRs for ineligible provider types, such as long-term and post-acute, and behavioral health providers. This summary is not intended to be a complete list of options that have been proposed. Rather the list serves to highlights some of the suggestions by some stakeholders regarding the use of loans for costs related to EHRs. Further, this list is not intended as endorsement of any one of these options. Instead, the summary serves only to list some of the actions that have been proposed that could support the use of EHR technology by ineligible providers. The text in the table below quotes from the referenced documents.

| Stakeholder Group | Source and Statement of Proposed Action |
|---|---|
| **State Medicaid Directors Association (NASMD)**<br><br>NASMD a bipartisan, professional, nonprofit organization of representatives of state Medicaid agencies (including the District of Columbia and the territories). | **March 15, 2010: Comment letter on the Medicare and Medicaid Programs; Electronic Health Record Incentive Program proposed rules, published in the January 13, 2010 Federal Register. "State Match Requirements" (p.7)**:<br>The states request that CMS allow in-kind contributions--such as state staff "on loan" to the Medicaid program for the provider incentive program--as part of the 10% state match. In today's economic reality of severe state deficits, states may otherwise not be able to secure the funding needed to participate in this program. |
| **Centers for Aging Services Technology, Homecare Technology Association of America (CAST)**<br><br>CAST is leading the charge to expedite the development, evaluation and adoption of emerging technologies that can improve the aging experience. CAST has become an international coalition of more than 400 technology companies, aging services organizations, research universities, and government representatives. | **IMPEDIMENTS TO THE ROLL-OUT OF IT HEALTHCARE STRATEGIES (pp.1-2)**:<br>More incentives, in the form of grants, tax-credits and low-interest loans, are needed to enable long-term providers to prepare their information and communications infrastructure and deploy new technologies, including health IT and interoperable EHR systems, and other technologies including technologies for care documentation by direct care workers that improve the quality of care. Such health IT infrastructure and EHR systems, that are interoperable across provider settings, ensure the continuity of information, and thus the continuity of care, and can lead to reducing medical errors, duplicative procedures and expenditures, while improving care quality, especially for the aging population. |

[5] Minnesota Department of Health. Grants and Loans webpage: http://www.health.state.mn.us/divs/orhpc/funding/index.html#ehrloan.

| Stakeholder Group | Source and Statement of Proposed Action |
|---|---|
| **National Association of Home Care (NAHC)**<br><br>**Home Care Technology Association of America (HCTAA)**<br><br>HCTAA is a wholly-owned affiliate of the NAHC, and is organized to advance the accessibility and use of technology in home care and hospice settings. HCTAA was established to unite the home care technology industry into a stronger, more effective voice to Congress, the Administration, state legislatures, the home care industry, consumers, and the media. HCTAA believes that home care and hospice providers that are properly equipped with technological solutions will serve a central role in the delivery of healthcare by ensuring quality, efficiency, and patient care coordination. | **NAHC and HCTAA: comments on the definition of "Meaningful Use" of Electronic Health Records (EHR), as required by the American Recovery and Reinvestment Act of 2009" (June 25, 2009)**:<br>NAHC/HCTAA is also exploring strategies to obtain incentives such as small business loans, tax incentives and grants that could be available to LTPAC providers for the adoption of EHRs. |
| **LTPAC Health IT Collaborative**<br><br>Collaborative of associations representing health IT issues for LTPAC providers, professionals, and support services in skilled nursing facilities, nursing facilities, assisted living, home health agencies, etc.<br><br>Members include:<br>American Health Care Association, American Health Information Management Association, Home Care Technology Association of America, American Society of Consultant Pharmacists, Center for Aging Services Technology, Leading Age, National Association of Home Care and Hospice, National Association for the Support of Long-Term Care, National Center for Assisted Living, Program for All Inclusive Care for the Elderly | **April 16, 2009. Inclusion of Long-Term Care Settings in ARRA Funded Projects Letter to the David Blumenthal (the National HIT Coordinator) (pp.1-2)**:<br>We are also aware of the ARRA-required investments in grants and loans programs that will be administered through your office to drive the adoption of interoperable health IT nationally. We are contacting you today to provide two recommendations designed to maximize the return on this significant one time investment in the national health IT infrastructure:<br>(1) We recommend that ONC include language in the ARRA requests for health IT grant and loan proposals advising applicants of the benefits of and need to seek partners from different care settings, including long-term care and providing such help as may be necessary to help identify potential partners (such as providing lists of federally certified providers in various areas).<br>(2) In addition, we recommend that ONC specify that one of the evaluation criteria for selecting grant/loan recipients will be a preference for those who do partner with long-term care providers (and other health care providers who will not receive financial incentives). |

# EHR PAYMENT INCENTIVES FOR PROVIDERS INELIGIBLE FOR PAYMENT INCENTIVES AND OTHER FUNDING STUDY

## Files Available for This Report

Main Report
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI.shtml
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI.pdf

APPENDIX A. Medicare and Medicaid EHR Incentive Programs
http://aspe.hhs.gov/daltcp/reports/2013/EHRPIap.shtml#appendA
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendA.pdf

APPENDIX B. Definitions and Certification of EHR Technology
http://aspe.hhs.gov/daltcp/reports/2013/EHRPIap.shtml#appendB
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendB.pdf

APPENDIX C. Public Health Service Act Section 3000(3) as Added by HITECH Section 13101 -- Provider Analysis
http://aspe.hhs.gov/daltcp/reports/2013/EHRPIap.shtml#appendC
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendC.pdf

APPENDIX D. Ineligible Provider Characteristics
http://aspe.hhs.gov/daltcp/reports/2013/EHRPIap.shtml#appendD
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendD.pdf

APPENDIX E. Long-Term and Post-Acute Care Provider Profiles
http://aspe.hhs.gov/daltcp/reports/2013/EHRPIap.shtml#appendE
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendE.pdf

APPENDIX F. Behavioral Health Provider Profiles
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http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendF.pdf

APPENDIX G. Safety Net Provider Profiles
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http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendG.pdf

APPENDIX H. Other Health Care Provider Profiles
http://aspe.hhs.gov/daltcp/reports/2013/EHRPIap.shtml#appendH
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendH.pdf

APPENDIX I. Table Summary of Patient Protection and Affordable Care Act Provisions with Relationship to Ineligible Providers and Health IT Use
http://aspe.hhs.gov/daltcp/reports/2013/EHRPIap.shtml#appendI
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendI.pdf

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APPENDIX K. Grant, Demonstrations and Cooperative Agreement Programs
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APPENDIX L. Loan Programs
http://aspe.hhs.gov/daltcp/reports/2013/EHRPIap.shtml#appendL
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendL.pdf

APPENDIX M. Technical Assistance Programs
http://aspe.hhs.gov/daltcp/reports/2013/EHRPIap.shtml#appendM
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendM.pdf

APPENDIX N. Administrative Infrastructure Building Programs
http://aspe.hhs.gov/daltcp/reports/2013/EHRPIap.shtml#appendN
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendN.pdf

APPENDIX O. Anti-Kickback Statute EHR Safe Harbor Regulations
http://aspe.hhs.gov/daltcp/reports/2013/EHRPIap.shtml#appendO
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendO.pdf

APPENDIX P. Private Sector Programs to Advance Certified EHR Technology
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http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendP.pdf

APPENDIX Q. Regulations for Medical Records
http://aspe.hhs.gov/daltcp/reports/2013/EHRPIap.shtml#appendQ
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendQ.pdf

APPENDIX R. Technical Advisory Group Summary
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http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendR.pdf

APPENDIX S. Evaluating Benefits and Costs of New Incentives for EHR Adoption by Ineligible Providers
http://aspe.hhs.gov/daltcp/reports/2013/EHRPIap.shtml#appendS
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendS.pdf

APPENDIX T. CIO Consortium EMR Cost Study Data
http://aspe.hhs.gov/daltcp/reports/2013/EHRPIap.shtml#appendT
http://aspe.hhs.gov/daltcp/reports/2013/EHRPI-appendT.pdf

APPENDIX U. Abbreviations and Acronyms
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APPENDIX V. References
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