

New HIT grant programs -- through which we anticipate that much of the \$2 billion will flow -- have state matching requirements. Here's a summary of these programs (emphasis added):

**SEC. 3011. IMMEDIATE FUNDING TO STRENGTHEN THE HEALTH INFORMATION TECHNOLOGY INFRASTRUCTURE.** (could be as early as April)

No match

**SEC. 3012. HEALTH INFORMATION TECHNOLOGY IMPLEMENTATION ASSISTANCE.**

(5) FINANCIAL SUPPORT- The Secretary may provide financial support to any regional center created under this subsection for a period not to exceed four years. The Secretary may not provide more than 50 percent of the capital and annual operating and maintenance funds required to create and maintain such a center, except in an instance of national economic conditions which would render this cost-share requirement detrimental to the program and upon notification to Congress as to the justification to waive the cost-share requirement.

**(PHS Act Sec. 3013) – Grants to States for HIE Planning and Implementation**

The National Coordinator is authorized to award planning and implementation grants to states or qualified state-designated entities to facilitate and expand electronic health information exchanges. To qualify as a state-designated entity, an entity must be a nonprofit organization with broad stakeholder representation on its governing board and adopt nondiscrimination and conflict-of-interest policies. In order to receive an implementation grant, a state or qualified state-designated entity must submit a plan describing the activities to be carried out to facilitate and expand electronic health information exchange according to nationally recognized standards and implementation specifications. The Secretary annually must evaluate the grant activity under this section and implement the lessons learned from each evaluation in the subsequent round of awards in such a manner as to realize the greatest improvement in health care quality, decrease in costs, and the most effective and secure electronic information exchange. Grants require a match of at least \$1 for each \$10 of federal funds in FY2011, at least \$1 for each \$7 of federal funds in FY2012, and at least \$1 for each \$3 of federal funds in FY2013 and each subsequent fiscal year. The Secretary may require a state match for fiscal years before FY2011.

SEC. 3013

Required Match-language

(1) IN GENERAL- For a fiscal year (beginning with fiscal year 2011), the Secretary may not make a grant under this section to a State unless the State agrees to make available non-Federal contributions (which may include in-kind contributions) toward the costs of a grant awarded under subsection (c) in an amount equal to--

(A) for fiscal year 2011, not less than \$1 for each \$10 of Federal funds provided under the grant;

(B) for fiscal year 2012, not less than \$1 for each \$7 of Federal funds provided under the grant; and

(C) for fiscal year 2013 and each subsequent fiscal year, not less than \$1 for each \$3 of Federal funds provided under the grant.

(2) AUTHORITY TO REQUIRE STATE MATCH FOR FISCAL YEARS BEFORE FISCAL YEAR 2011- For any fiscal year during the grant program under this section before fiscal year 2011, the Secretary may determine the extent to which there shall be required a non-Federal contribution from a State receiving a grant under this section.

**(PHS Act Sec. 3014) – Grants to States or Indian Tribes to Establish State Loan Programs**

The Act authorizes the National Coordinator to award competitive grants to states or Indian tribes to establish loan programs for health care providers to purchase and upgrade certified EHR technology, train personnel in the use of such technology, and improve the secure electronic exchange of health information. To be eligible, grantees must: (1) establish a qualified HIT loan fund; (2) submit a strategic plan, updated annually, describing the intended uses of the funds and providing assurances that loans will only be given to health care providers that submit required reports on quality measures and use the certified EHR technology supported by the loan for the electronic exchange of health information to improve the quality of care; and (3) provide matching funds of at least \$1 for every \$5 of federal funding. Loans are repayable over a period of up to 10 years. Each year, the National Coordinator must provide a report to Congress summarizing the annual reports submitted by grantees. Awards are not permitted before January 1, 2010.

Sec. 3014

Matching Requirements-

(1) IN GENERAL- The National Coordinator may not make a grant under subsection (a) to an eligible entity unless the entity agrees to make available (directly or through donations from public or private entities) non-Federal contributions in cash to the costs of carrying out the activities for which the grant is awarded in an amount equal to not less than \$1 for each \$5 of Federal funds provided under the grant.

(2) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION- In determining the amount of non-Federal contributions that an eligible entity has provided pursuant to subparagraph (A), the National Coordinator may not include any amounts provided to the entity by the Federal Government.