



H.R 3014
Small Business Health Information Technology Financing Act

Call To Action:

On June 24, 2009, Congresswoman Kathy Dahlkemper (D-PA) introduced H.R. 3014, the Small Business Health Information Technology Financing Act. Due to the high cost of health information technology (IT) systems, early adopters tend to be larger health systems and clinical practices. If health IT is to be expanded nationwide and its benefits fully realized, it must be adopted by the majority of provider settings.

The financial barriers that dissuade providers from adopting health IT are compounded by exclusion from existing government programs. Notwithstanding their status as small businesses, many clinical practices do not qualify for participation in existing Small Business Administration (SBA) capital access programs because they historically have had access to conventional sources of credit.

H.R. 3014 would create a new SBA Health IT Loan Program to enhance the agency's existing array of business loan programs. Via this proposed program, reduced cost capital would be made available to eligible professionals for the purpose of purchasing health IT. The program would be carefully tailored to meet the unique challenges that small healthcare providers face in adopting health IT, including cost, flexibility, interconnectedness, and interoperability.

The Health IT Loan Program would rely on private-sector lenders to provide loans guaranteed by the SBA. The proceeds from a health IT loan could be used for qualifying health IT (consistent with the "meaningful EHR use" requirements set forth in the Social Security Act) including the acquisition, maintenance, or training for health IT systems and equipment. These loans would carry a variety of benefits specifically intended to help small health practices overcome the financial barriers to health IT adoption with financing that is structured to complement the purpose of the loan proceeds and the useful life of the health IT assets being financed.

Closing Remarks

Upon review, the Small Business Health Information Technology Financing Act of 2009 is consistent with [HIMSS' Principles on Government Initiatives](#). Therefore, HIMSS supports this legislation. We support funding such as grants and loans, or other incentives such as significant tax benefits, to healthcare providers, employers, health plans and other health entities for adoption of IT that meets national interoperability standards and certification criteria for providing patient care. Questions on this statement of support should be addressed to the HIMSS Government Relations Department at advocacy@himss.org.

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Section by Section Review

Small Business Health Information Technology Financing Act Section-by-Section

Sec. 1 Short Title

Small Business Health Information Technology Financing Act of 2009

Sec. 2 Amendment of Small Business Act

Amends the Small Business Act to create a new loan guarantee program for the purchase of health information technology by eligible health care professionals in solo and small group practices.

Subsection (a) Definitions

Provides that the definition for health information technology (for purposes of the guarantee loan program) will be consistent with the “meaningful EHR use” requirements set forth in the Social Security Act. Loan proceeds shall be used exclusively for Health IT purposes.

Participation in the program is limited to health care professionals (MDs, Osteopaths, Dentists, Podiatrists, Optometrists, Chiropractors, Physician Assistants, Nurse Practitioners, Clinical Nurse Specialists, Certified Registered Nurse Anesthetist, Certified Nurse-midwives, Clinical Social Workers, Clinical Psychologists, Registered Dietitian or Nutrition Professionals, Physical or Occupational Therapists, Speech Language Pathologists, and Audiologists). The practices that are eligible must also be a “small business concern” as defined using the small business size standards.

Subsection (b) Loan Guarantees for Qualified Eligible Professionals

Establishes a loan guarantee program for eligible professionals, which provides a 90 percent guarantee and loan amounts up to \$350,000 for any single individual/professional and \$2,000,000 for any group.

Subsection (c) Fees

The fees imposed by the SBA on borrowers shall be no more than 2 percent of the guaranteed portion of the loan. The annual lender servicing fees imposed by SBA are limited to no more than 0.5 percent. Additional fees may not be assessed against the borrower by a lender. These provisions will encourage borrowers and lenders to participate in the program.

Subsection (d) Deferral Period

Permits a professional who has borrowed through the program to defer payment on his or her loan for at least one year and up to three years. It provides authority for SBA to subsidize the interest costs associated with the deferral.

Subsection (e) Effective Date

The SBA loan guarantee program may not take effect until the Secretary of HHS has established “meaningful EHR use requirements” as set forth in the Social Security Act.

Subsection (f) Sunset

SBA may not extend loan guarantees 5 years after the Secretary of HHS has established “meaningful EHR use requirements” as set forth in the Social Security Act.

Subsection (g) Authorization of Appropriation

Program authorizes \$10 billion in loan authority.