



**THE
AMERICAN RECOVERY AND
REINVESTMENT ACT OF 2009
HEALTH INFORMATION
TECHNOLOGY AND ELECTRONIC
HEALTH RECORDS**

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ARRA 2009 PROVIDES FUNDING FOR HEALTH INFORMATION TECHNOLOGY (HIT)

- Medicare Incentives to Providers for Adoption of Electronic Health Records *with Health Information Exchange (HIE)* – *portion of \$19 B*
- Funding to Eligible Medicaid Physicians, Federally Qualified Health Centers, and Rural Health Clinics and Acute Care/Children Hospitals for HIT-portion of \$19B
- Funding to Deploy Broadband Access -\$7.2 B
- Office of the National Coordinator for Health Information Technology (ONC) -\$2.0 B
 - Includes grants to States for Health Information Exchange at \$300 million



ARRA 2009 FUNDING TO THE OFFICE OF THE NATIONAL COORDINATOR FOR HEALTH INFORMATION TECHNOLOGY (ONC)

- Other Discretionary Uses of \$2.0 B
 - Electronic Health Record Adoption Loan Programs
 - Technical Assistance –Regional Extension Centers
 - HIE Research Centers
 - Additional funding for HIE or any of the above or other as determined by ONC



ARRA 2009 GRANTS TO STATES TO PROMOTE HEALTH INFORMATION EXCHANGE (\$300 MILLION)

- To States or State Designated Entities for Health Information Exchange (HIE)
- Expand HIE Using Nationally Recognized Standards
- Planning and Implementation Grants
- Required Consultation with Stakeholders
- Application for Implementation Must Include a Plan—
 - Describe activities for use of funds
 - Be consistent with the national Strategic Plan



ARRA 2009 GRANTS TO STATES TO PROMOTE HEALTH INFORMATION EXCHANGE

- Broad Range in Use of Funds
 - Enhancing broad and varied participation in HIE
 - Technical assistance for dissemination of solutions to barriers to HIE
 - Assisting patients in utilizing health IT
 - Supporting public health agencies use of electronic health information
 - Supporting public health agencies authorized use of and access to electronic health information
 - Promoting use of EHRs for quality improvement including through quality measures reporting



- **ARRA 2009 Funding for Health Information Technology Regional Extension Centers**
- Purpose: to accelerate adoption of electronic health records by providing technical assistance with the implementation, effective use, upgrading and ongoing maintenance
- Regional centers shall prioritize services to critical access hospitals, rural, medically underserved, individual or small groups
- The Secretary shall issue notice for applicants 90 days after enactment of ARRA
- Applicants must be not-for-profit organizations



ARRA 2009 FUNDING FOR HEALTH INFORMATION TECHNOLOGY REGIONAL EXTENSION CENTERS

- Financial support for up to 4 years at 50% capital and operating costs
- Applicant review criteria:
 - The ability of the applicant to provide assistance appropriate to the needs of particular categories of health care providers
 - The types of service to be provided
 - Geographical diversity and extent of service areas
 - Percentage of funding and amount of in-kind commitment from other sources



INCENTIVES AVAILABLE IN 2011 HIE AND REPORTING REQUIREMENTS

- E-Prescribing
- Quality Reporting
 - Likely similar to Physician Quality Reporting Initiative
- Meaningful Health Information Exchange
 - To be defined by HHS regulations



ARRA 2009 MEDICAID FUNDING FOR PROVIDERS' EHR

- States authorized to make payments to eligible Medicaid physicians and other providers at no more than 85% of net average allowable costs for certified EHR technology
 - Limit \$25,000 in year 1
 - Limit \$10,000 per year up to \$63,750 for 5 years through 2021
- Hospitals are paid on a formula basis
- Eligibility based on level of Medicaid patient volume



ARRA 2009 ELIGIBLE MEDICAID PROVIDER TYPES

- Independent physicians, dentists, nurse mid-wives, and nurse practitioners with greater than 30% patient volume
- Pediatricians with greater than 20% patient volume
- Hospitals with greater than 10% patient volume or children's hospitals
- Federally qualified health centers with greater than 30% needy individuals



ARRA 2009 TIMING AND MATCHING

- Medicare and Medicaid Incentives start in 2011
 - 100 match for Medicaid
 - 90% match for state administration
- Grants to States may start prior to 2011
 - No State match required for HIE Grants prior to 2011 (10% in-kind match in 2011)
 - Match required for loan programs (20% cash match) and technical assistance (50%)



ARRA 2009 OTHER HIT RELATED FUNDING

- \$1.5 billion for community health centers, a sum that can be used toward health IT acquisition
- \$500 million for the Social Security Administration for processing disability and retirement workloads, of which up to \$40 million may be used for health IT research and adoption
- \$1.1 billion the federal Agency for Healthcare Research and Quality, Health and Human Services, and the National Institutes of Health for comparative effectiveness research



ARRA 2009 BROADBAND RELATED FUNDING

- \$2.5 billion is available under the Rural Utilities Services (RUS) program, partly as loans and partly as grants, for use in rural areas.
- \$4.35 billion in grants is available by the National Telecommunications and Information Administration (NTIA) under a new Broadband Technology Opportunities Program (“BTOP”).
- ARRA specifies that governments and non-profits will be eligible for BTOP funding, commercial entities may be eligible as well.
- **BTOP grants must be awarded by September 30, 2010 and all money must be spent by grantees within two years of the time their grants are awarded.**
- Both NTIA and RUS plan multiple notices of funding availability, with the first likely to be released in the April to June time frame.

