

On February 17, 2009, President Barack Obama signed the American Recovery and Reinvestment Act, also known as the stimulus package, into law. This law has a \$787 billion dollar price tag and includes funding for several health care initiatives.

Health Information Technology (IT):

- Officially establishes the Office of the National Coordinator for Health Information Technology (ONCHIT) within HHS to promote the development of a nationwide interoperable HIT system and the objective to achieve utilization of an electronic health record for each person in the United States by 2014. HHS would adopt through the rule-making process an initial set of standards, implementation specifications, and certification criteria by December 31, 2009.
- Includes \$19 billion over five years to provide financial incentives through the Medicare program to encourage physicians and hospitals to adopt and use certified electronic health records (EHR).
 - 1) Medicare incentive payments would be based on an amount equal to 75% of the Secretary's estimate of allowable charges, up to \$15,000 for the first payment year. Incentive payments would be reduced in subsequent years: \$12,000, \$8,000, \$4,000, and \$2000, after 2015.
 - 2) Physicians whose first payment year is 2011 or 2012 would be eligible for an initial incentive payment up to \$18,000. In 2014, the payment limit would equal \$12,000. Adopters, whose first payment year is 2015, would receive \$0 payment for 2015 and any subsequent year.
 - 3) For eligible professionals in a rural health professional shortage area, the incentive payment amounts would be increased by 10%.
 - 4) Incentives under the Medicaid program are also available; however, physicians cannot take advantage of the incentive payment programs under both the Medicare and Medicaid programs. Physicians (non-hospital based), with at least 30 percent Medicaid patient volume, could receive up to \$63,750, over a six-year period.
 - 5) Physicians who do not adopt/use a certified HIT system would face reduction in their Medicare fee schedule of -1% in 2015, -2% in 2016, and -3% in 2017 and beyond.
- Federal privacy/security laws (HIPAA) are expanded to protect patient health information, defines actions that constitute a breach of patient health information and requires notification to patients if their health information is breached. Also requires that physicians to provide patients, a summary of all disclosures of health upon request. Also allows patients to pay out of pocket for a health care item/service and request the claim not be submitted to the health plan.

Medicaid:

- Provides \$87 billion in additional federal matching funds to fund an increase FMAP for all states by 6.2% over 27 months, beginning retroactively on October 1, 2008. These monies may not be used for state rainy day/reserve fund and states with large increases in unemployment would receive an additional FMAP increase. States must comply with current Medicaid prompt pay requirements in order to receive FMAP increases.

COBRA:

- Provides approximately \$24.7 billion toward funding a 65% COBRA premium subsidy for up to 9 months, available to workers who have been involuntarily terminated between Sept. 1, 2008, and Dec. 31, 2009.

Additional Appropriations:

- Prevention and Wellness - \$1 billion in funding for wellness and prevention programs, including \$300 million for the section 317 immunization program; \$50 million for state health-associated infections reduction strategies; and \$650

million for evidence-based clinical and community-based prevention and wellness strategies to address chronic disease rates

- Community Health Centers - \$1.5 billion for construction, renovation, and equipment, and for the acquisition of HIT systems, for community health centers
- Training Primary Care Providers - \$500 million to address shortages by training primary health care providers, including dentists, as well as helping pay medical school expenses for students who agree to practice in underserved communities through the National Health Service Corps.
- NIH Research and Facilities - \$10 billion in funding for NIH for new research grants and renovations and construction at the NIH's campuses.
- Comparative Effectiveness Research (CER) - \$1.1 billion in funding to the Agency on Healthcare Research and Quality and the NIH to fund CER efforts, to include the creation of a Federal Coordinating Council for CER, an advisory board comprised of representatives from federal agencies with at least half of the membership to include physicians or experts with clinical backgrounds tasked with coordinating efforts and making recommendations to the president on CER.