

American Recovery and Reinvestment Act of 2009 (ARRA) HIT Provisions: Question and Answers

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009, otherwise known as H.R. 1. The Act aims to stimulate the economy through investments in infrastructure, unemployment benefits, transportation, education and healthcare. It includes more than \$20 billion to aid the development of a robust IT infrastructure for healthcare and to assist providers and other entities in adopting and using healthcare IT.

Q: Where can I find the full text of the American Recovery and Reinvestment Act?

A: The full text of the new law can be found at www.recovery.gov.

Q: How much is being spent on HIT and where is the funding going?

A: See below:

- \$17.2 billion in incentives through the Medicare and Medicaid reimbursement systems to assist providers in adopting EHRs.
- \$4.7 billion for the National Telecommunications and Information Administration's Broadband Technology Opportunities Program.
- \$2.5 billion for the U.S. Department of Agriculture's Distance Learning, Telemedicine and Broadband Program.
- \$2 billion for the Office of the National Coordinator (ONC).
- \$1.5 billion for construction, renovation and equipment for health centers through the Health Resources and Services Administration.
- \$1.1 billion for comparative effectiveness research within the Agency for Healthcare Research and Quality (AHRQ), National Institutes of Health (NIH) and the Department of Health and Human Services (HHS).
- \$500 million for the Social Security Administration.
- \$85 million for health IT, including telehealth services, within the Indian Health Service.
- \$50 million for information technology within the Veterans Benefits Administration.

Q: What governmental departments/positions were established to oversee HIT standards development and rollout of the incentives?

A: There are three bodies established in the new law and all fall under the direction of the Secretary of Health and Human Services (HHS):

- Office of the National Coordinator (ONC). The ONC is headed by a National Coordinator appointed by the Secretary of HHS, serves as a leading member of the HIT policy and HIT standards committees and is responsible for:
 - Endorsing standards and certification criteria;
 - Coordinating health IT policy and programs; and
 - Updating the federal health IT strategic plan.
- HIT Policy Committee. This committee is a federal advisory committee established to make recommendations to the National Coordinator about the implementation of a nationwide health IT infrastructure, including implementation of the strategic plan. The committee also is responsible for recommending areas in which standards, implementation specifications and

certification criteria are needed for the electronic exchange and use of health information.

- HIT Standards Committee. The HIT Standards Committee was established to recommend to the National Coordinator standards, implementation specifications and certification criteria for the electronic exchange and use of health information, which have been developed, harmonized or recognized by the HIT standards Committee.

Q: What funding incentives are being offered through Medicare?

A: Eligible professionals who are meaningful users of certified EHR technology will receive incentive payments according to the following schedule:

Payment Year	Incentive
First Payment Year	\$18,000 if the first payment year is 2011 or 2012 \$15,000 if the first payment year is 2013 \$12,000 if the first payment year is 2014
Second Payment Year	\$12,000
Third Payment Year	\$8,000
Fourth Payment Year	\$4,000
Fifth Payment Year	\$2,000
<i>*For eligible professionals in a health professional shortage area (HPSA), the incentive payment amounts will be increased by 10% *Payments are not available to hospital-based professionals (such as a pathologist, emergency room physician, or anesthesiologist).</i>	

Q: Who qualifies as an “eligible professional”?

A: The following types of providers fall under the definition of “eligible professional”:

- M.D.’s
- D.O.’s
- D.D.S.’s
- D.D.M.’s
- D.P.M.’s
- O.D.’s
- Chiropractors

Q: What EHR technology qualifies as “certified”?

A: To be qualified as a certified EHR, the technology must include patient demographic and clinical health information such as medical history and problem lists, and have the capacity to provide clinical decision support that includes physician order entry (to capture and query information relevant to healthcare quality) and to exchange electronic health information with, and integrate such information from other sources.

Q: Who qualifies as a “meaningful user”?

A: A meaningful user is an eligible professional who demonstrates:

- Use of electronic prescribing functionality,
- Their EHR is connected in a manner that provides for the electronic exchange of health information to improve the quality of healthcare, and

- Submits information on clinical quality measures.

Q: Are any incentives provided through Medicaid and who is eligible?

A: Yes, ARRA provides incentive payments for certified EHR technology by Medicaid providers. Providers eligible for funding are defined as:

- A non-hospital-based professional with at least 30 percent of their patient volume coming from Medicaid patients.
- A non-hospital-based pediatrician with at least 20 percent of his/her patient volume coming from Medicaid patients.
- An eligible professional who practices predominately in a Federally-qualified health center or rural health clinic with at least 30 percent of the professional's patient volume coming from Medicaid patients.
- A children's hospital, or an acute-care hospital, that has at least 10 percent of the hospital's patient volume coming from Medicaid patients.

**Professionals in the first three bullets include: physicians, dentists, certified nurse midwives, physicians assistants practicing in rural health clinics or federally-qualified health centers led by a physician assistant.*

Q: How much money in incentives is being offered through Medicaid?

A: Medicaid payments are meant to cover costs for the purchase and initial implementation or upgrade of EHR technology (and support services including training that is for, or is necessary for the adoption and initial operation of such technology) for such providers, as determined by the Secretary. First year payment (not to be made later than 2016) up to \$25,000 and then five additional years of payments equal to \$10,000, not to exceed \$64,000 (payments to stop after 2021).

Q: What is considered "certified" EHR technology under the Medicaid provisions?

A: Certified EHR technology means a qualified EHR that includes patient demographic and clinical health information, such as medical history and problem lists, and has the capacity to provide clinical decision support to aid physician order entry, to capture and query information relevant to healthcare quality, and to exchange electronic health information with, and integrate such information from other sources.

Q: Are all physician's eligible for the incentive

A: Yes, the vast majority of doctors will be eligible. Doctors who qualify for the incentive are Medicare-participating physicians who adopt certified EHRs and use them in a meaningful way and physicians who have caseloads of at least 30% Medicaid patients and who also meet the health IT adoption standards. Pediatricians can qualify under the Medicaid incentive structure if their patient mix is 20% Medicaid, but they would be eligible for only two-thirds of the incentive payments available to physicians meeting the 30% standard. Doctors who do not qualify for the Medicare or Medicaid incentives will have the ability to apply for loans and grants also included in the stimulus.

Are doctors eligible for both Medicare and Medicaid incentives?

A: No, doctors must choose whether to submit for Medicare or Medicaid incentives.

Q: What other grants and programs are included in ARRA?

A: There are a variety of programs included in the bill to facilitate widespread adoption of EHRs. Those include:

- Creation of Health IT Research Centers and Regional Centers.
- State grants to facilitation electronic movement of records and HIEs.
- Grants to states and Indian tribes for loan programs.
- Assistance programs to integrate HIT into clinical education.
- Programs to expand medical health informatics programs.
- Funds to investigate how HIT impacts healthcare.

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