

NATIONAL ASSOCIATION OF COMMUNITY HEALTH CENTERS
Stimulus Package
HEALTH INFORMATION TECHNOLOGY (HIT)

Economic Stimulus Statement: On February 17th, President Obama signed into law a massive economic stimulus measure entitled the **American Recovery and Reinvestment Act**, or “ARRA” for short. The new law, which contains more than \$787 billion in spending and tax cuts, contains several major initiatives related to Health Centers, totaling well over \$2 billion.

Core Elements: (1) \$1.5 billion for community health center infrastructure **which includes the acquisition of HIT** through HRSA; (2) additional funds available through the Department of Health and Human Services’ Office of the National Coordinator for Health Information Technology for health information exchange initiatives, integration of training programs in universities for healthcare personnel, establishment of Health Information Technology Regional Extension Centers to spur the adoption of HIT in health centers; (3) HIT payment incentives through Medicaid of 85% up to a maximum \$25,000 (\$21,250) per “eligible professional” for the first year of adoption, and 85% up to a maximum of \$10,000 (\$8,500) for the next five years. **These numbers may be reduced if after ONC conducts a study it is determined that the average cost is less.

What can the funds be used for? (1) The acquisition of health information technology systems; the HRSA funds may be more broad stroke in nature with flexibility for systems integration (e.g., EHR to practice management and/or EHR to dental systems) and purchase of telemedicine equipment , (2) the Medicaid Incentives are expected to be limited to EHR system adoption which would include training of personnel on the new technology; (3) FQHC providers are eligible to receive the Medicaid incentive if at least 30% of their patients are defined as “needy individuals” – patients covered by Medicaid, including those in Medicaid Managed Care, those enrolled in SCHIP, patients receiving charity care, and individuals paying for their care on a sliding-fee scale basis; (4) “eligible professionals” are defined as physicians, dentists, certified nurse mid-wife, nurse practitioner and physician assistant. Use FTE calculations to be safe until other information is provided.

What is the time frame for accessing the resources? The timeline for the actual application for and allocation of funds is still under discussion; however, within 90 days of the signing (mid-May 2009), HRSA must develop a plan for spending the funds. CMS and State Medicaid Agencies will require time to establish protocols for distribution of these payments; however, no first year payments may be made after 2016 and no payments may be made after 2021.

What will Health Centers have to do to receive the funding? For Medicaid Incentive Payments, “eligible professionals” must demonstrate that they are “engaged in efforts to adopt, implement or upgrade EHR technology.” For subsequent years, they must demonstrate “meaningful use” of EHR technology.

If you receive funds/resources, what kinds of reporting/accountability can you expect? Ensure ARRA funds and their uses are clearly distinguishable from non-ARRA funds. Be prepared to report on timeliness of expenditures, scope of activities, types of recipients, beneficiaries, outcome of projects, barriers to complete projects, ongoing project milestones, jobs created or jobs retained. Note: HRSA may establish its own specific reporting requirements.

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What resources are available to assist Health Centers to receive the funding?

- 1) Info re policy development and application at CMS: Roger Schwartz (rschwartz@nachc.com) or Susan Sumrell (ssumrell@nachc.com)
- 2) Technical consultation: Michael Lardiere (mlardiere@nachc.com)
- 3) Upcoming training:
 - ◆ 2009 NACHC Policy + Issues Forum, March 24-28, 2009 Washington, D.C.
 - The Stimulus and Health IT: HRSA Update and Overview of New Opportunities (March 26)*
 - Update on Regulatory and Administrative Policies that Impact Centers (March 28)*