

The American Recovery and Reinvestment Act of 2009

Frequently Asked Questions

On Tuesday, 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**.

We at NACHC, alongside health center advocates nationwide, worked hard to secure these provisions in the legislation. With our partners in health centers and State and Regional Primary Care Associations (PCAs), we will continue working to see that programs are administered and resources distributed effectively and efficiently, and to ensure that all health centers have access to the information, resources, and technical expertise they need to best make use of these funds.

This document is an attempt to answer initial questions about several sections of the bill with the most direct impact on health centers and the patients they serve. Each section ends with contact information for NACHC staff who can provide additional guidance as more information becomes available.

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Health Center Infrastructure

What resources are in the stimulus package that would benefit health centers' infrastructure needs?

The American Recovery and Reinvestment Act (“the stimulus package”) contains **\$1.5 billion** in funding for community health center infrastructure needs.

What kinds of projects can the infrastructure money be used for?

The legislation indicates this funding can be used for construction, renovation, equipment, and acquisition of HIT, but details on the size and types of projects that will be eligible for funding will be up to HRSA to determine (NOTE: for more information on HIT and Medicaid, see below).

How will the infrastructure money be distributed?

Money will be distributed by HRSA directly to health centers. The process through which the funds will be distributed has not yet been determined by HRSA.

How soon does the infrastructure money have to be distributed?

There is not a specific deadline for the spending of the infrastructure funds, and NACHC is examining the legislation to determine if overall deadlines for stimulus payments will apply to these funds. The bill requires HRSA to prepare a plan for spending the funds within 90 days (mid-May 2009) and to report its progress back to Congress every six months thereafter.

Are PCAs eligible to receive stimulus funding?

No, PCAs are not eligible entities. The law states that “health centers receiving operating grants under section 330 of the Public Health Service Act” are eligible. Report language further clarifies that “health center controlled networks” receiving 330 funds are also eligible.

Are FQHC Look-Alikes eligible for stimulus CHC infrastructure funding?

No, FQHC Look-Alikes are not eligible, since the payments for infrastructure flow through HRSA. However, look-alikes should be eligible for Health IT adoption payment incentives through Medicaid (see below).

I have a “shovel-ready” project at my health center. What should I do?

The best thing to do at this stage is collect information about your project (cost, design, financing, projected impact) and share that information with your HRSA project officer, your State or Regional Primary Care Association, Capital Link (www.caplink.org) and other local officials. NACHC will also be maintaining a list of projects – contact Dawn McKinney, Director of State Affairs at dmckinney@nachc.com to add your project. As more information becomes available from HRSA, NACHC will offer technical assistance to health centers applying for infrastructure funds.

Health Center Operations

What grant funds are contained in the stimulus package for assisting with, or expanding, the ongoing operations of my health center during the recession?

The stimulus package includes an additional **\$500 million** for *“services provided by community health centers”*.

What kinds of things can these operational funds be used for?

The bill directs HRSA that these funds are to be used *“to support new sites and service areas, to increase services at existing sites, and to provide supplemental payments for spikes in uninsured populations”*, stating that *“grants for new sites and service areas are to be two years in length as startup is phased in.”*

The bill also encourages HRSA to *“consider supporting currently unfunded but approved community health center applications.”*

I have a high-scoring application for a New Access Point (NAP) or Expanded Medical Capacity (EMC) grant from the last round. Will it get funded with these stimulus dollars?

This is unclear, and depends on how HRSA decides to distribute the stimulus operational funds. However, there may still be an increase in Health Center program funding in the annual appropriations legislation, until March 6th. There may still be an increase in annual Health Center program funding this year. Should those resources become available, HRSA has committed to using new expansion funds (those not used for base grant adjustments) to fund high-scoring applications from the last round.

If I get operational funds, will they be permanently rolled into my health center’s base grant?

No. These funds are temporary, for the next two fiscal years, and will not be part of ongoing program funding.

Who at NACHC should I contact for more information?

Roger Schwartz (rschwartz@nachc.com) and Pamela Byrnes (pbyrnes@nachc.com) will be following the HRSA policy established for distribution and use of the operational funds. Additionally, as more information becomes available from HRSA, NACHC will offer technical assistance to health centers applying for operational funds.

Health Information Technology

What grant funds are there for Health IT? Are Health Centers eligible?

Some of the \$1.5 billion in infrastructure funding outlined above may be used for “*acquisition of Health Information Technology systems*”. Health centers and health center controlled networks will be eligible. However, health centers should note the inclusion of new Medicaid payments for the costs of acquiring, implementing, maintaining and using HIT/HER systems – see below.

Additionally, there will be grant funds available through the Department of Health and Human Services’ Office of the National Coordinator for Health Information Technology. Health Centers are specifically eligible for this funding, which includes system adoption as well as training for personnel on new technology.

Are providers at my health center eligible for Health IT payment incentives through Medicaid?

FQHC providers are specifically listed as eligible to receive Medicaid payments for the adoption and use of certified Electronic Health Records. In order to qualify for these payments, the law states that FQHC providers must be serving at least 30% patients defined as “*needy individuals*”. “*Needy individuals*” are defined as: patients covered by Medicaid (including Medicaid Managed Care plans) or SCHIP; patients receiving charity care; and individuals paying for their care on a sliding-fee scale basis.

During consideration of the bill, NACHC worked to broaden this definition (from an original threshold of “30% or more Medicaid patients”) to capture as many FQHC providers as possible.

What does “provider” mean in this context?

The law states that eligible providers include Physicians, Physician Assistants, Nurse Midwives, Nurse Practitioners and Dentists.

How much will these payments be?

FQHC’s would be paid up to 85 percent of “allowable costs” (as determined by HHS) for the acquisition, implementation (including training), upgrade, maintenance, and use of a “certified electronic health record” system (certified by HHS/ONCHIT). These allowable costs may not exceed \$25,000 per eligible professional in the first year that an FQHC requests the payment, and \$10,000 per professional for each of the next 5 years; thus the maximum allowable 6-year costs per eligible professional will be \$75,000 (\$25,000 plus 5 times \$10,000), and the maximum federal payment will be \$63,750 per eligible professional (85 percent of \$75,000) over a period of six years. In order to be eligible for these payments, the FQHC will have to show “meaningful use” of the EHR system (meaning that they are “engaged in efforts to adopt such

a system” in their first year, and that they can show they are using it through use of certain billing and reporting methods in years 2 through 6).

When will these payments be available?

The law takes effect immediately, but it is likely that the Centers for Medicare and Medicaid Services (CMS) and State Medicaid Agencies will take some time to establish protocols for distribution of these payments. Among the first actions CMS will need to take is to decide what constitutes “allowable costs” for this initiative. HHS/ONCHIT will also need to identify which HIT/EHR systems are “certified” for purposes of payment claims. Health centers will be allowed to begin the HIT payment system up to 2014 and still be eligible for full payment; however, they will not qualify for these incentive payments in they adopt an EHR system in 2015 or later. Stay in touch with NACHC, your State or Regional Primary Care Association (PCA) and your State Medicaid Agency for updates.

I have already purchased an EHR for my health center. Can I use this money?

After the first year, health centers with existing EHRs will be able to access the Medicaid payments for maintenance and “meaningful use” of their existing EHR system. It is not clear from HRSA how or whether the infrastructure funds for Health IT systems can or will be applied to those centers with existing EHRs.

I am in negotiations to purchase an EHR system for my health center. Should I wait until this money becomes available?

This should be evaluated on a case-by-case basis, in consultation with your vendor and your HRSA project officer. For more information and advice, contact NACHC staff listed below.

Are providers at my health center eligible for Health IT payment incentives through Medicare?

Federally Qualified Health Centers that are paid according to the FQHC rates are not eligible for the Medicare incentives in the legislation. The law indicates that Medicare providers that are paid on the Medicare Physician Fee Schedule are eligible for the incentives under the Medicare program. Additionally, the law does not allow for providers to receive incentives from both the Medicare and Medicaid programs, so as the majority of FQHCs are eligible for the Medicaid incentives (see questions below), they would not be eligible for the Medicare incentives.

Who at NACHC should I contact for more information as it becomes available?

Contact Michael Lardiere (mlardiere@nachc.com) NACHC Director of Health Information Technology, and/or Susan Sumrell (ssumrell@nachc.com) or Roger Schwartz (rschwartz@nachc.com), both of whom handle CMS regulatory policy.

Workforce

What resources are in the stimulus package for Primary Care Workforce Development?

The stimulus package contains \$500 million for primary care workforce development programs. \$300 million of this funding will be for the National Health Service Corps. The additional \$200 million will be for the Title VII Health Professions and Title VIII Nurse Training programs.

Will individual Health Centers be able to access any of the workforce money, or will this all be used for federal level programs?

Health Centers can take advantage of increased recruitment and retention opportunities through the National Health Service Corps, but the money will not be directed to individual health centers for these purposes.

Who at NACHC should I contact for more information as it becomes available?

Contact Susan Walter (swalter@nachc.com) who handles HRSA primary care workforce policy, as well as Dr. Tom Curtin (tcurtin@nachc.com) or Dr. David Stevens (dstevens@nachc.com) of the NACHC Clinical Affairs Department.

Additional Medicaid Provisions

The bill increases funding to State Medicaid Programs through an increase in the federal share of Medicaid funding, or FMAP. Does this increase automatically flow to my health center if I am paid on the PPS rate?

The FMAP increase refers only to an increase in Federal matching funds to a state, so it will not directly impact payment to FQHCs. But if a state is being reimbursed 57 cents for each dollar it spends and the federal reimbursement now increases to 60 cents for each dollar it spends, that state obviously benefits and may be less likely to cut back on FQHC and other expenditures.

Will there be additional consideration under the Medicaid assistance to states for those with high unemployment rates? How much of an increase will the enhanced FMAP rate be?

The temporary increase in Federal Medicaid Assistance Percentages (FMAP) totals \$87 billion over the next two years. This is divided between an across-the-board increase to all states and territories of 6.2%, with a bonus structure for States with high unemployment rates.

I have heard that several potentially harmful Medicaid regulations were slated to be implemented later this year. Does the bill do anything to slow or stop that process?

The stimulus package contains an extension of existing moratoria on seven Medicaid regulations through June 30, 2009, producing the equivalent of \$100 million in Federal assistance.

Who at NACHC should I contact for more information as it becomes available?

Contact Susan Sumrell (ssumrell@nachc.com) or Roger Schwartz (rschwartz@nachc.com) who handles Medicaid regulatory issues, or Dawn McKinney (dmckinney@nachc.com), NACHC Director of State Affairs.

National Service Programs

Does the bill contain any funding for National Service Programs that benefit health centers?

Yes, the bill contains \$200 million for National Service Programs, of which \$89 million is for existing AmeriCorps grantees and \$65 million is for VISTA programs. Community HealthCorps and its programs could benefit from this funding.

Who at NACHC should I contact for more information as it becomes available?

Contact Jason Patnosh (jpatnosh@nachc.com), National Director of the Community HealthCorps, for more specific information.