

# Overview of Federal Stimulus Funds Available for HIT

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Anchorage  
Bellevue  
Los Angeles

New York  
Portland  
San Francisco

Seattle  
Shanghai  
Washington, D.C.



# Overview

- \$2B to the Office of the National Coordinator for Health IT
  - \$20M to NIST for R&D program
  - \$300M for health information exchange support (grants, loans, and technical assistance)
  - Assistance for Clinical Education and Professional Training
- Funds available only after ONC submits operating plan
  - based on the Federal Health Information Technology Strategic Plan,
  - description re how funds will be allocated across HHS
  - [http://www.hhs.gov/recovery/reports/plans/onc\\_hit.pdf](http://www.hhs.gov/recovery/reports/plans/onc_hit.pdf)
- Medicare and Medicaid incentives for professionals and hospitals
- \$7.2B for wireless and broadband

# Section 3011 - Immediate Funding

- **“Immediate Funding to Strengthen the Health Information Technology Infrastructure”**
- To allow for and promote the electronic exchange and use of health information consistent with the goals outlined in the ONC strategic plan
- For the acquisition of health IT that meets standards and certification criteria adopted before the date of enactment of this title
- Invest funds through the ONC, HRSA, AHRQ, CMS, CDC, and HIS, to support such initiatives as:
  - A health information technology architecture
  - Development of certified EHRs
  - Training and dissemination of information on best practices to integrate health IT
  - Tools to promote telemedicine and
  - Provide support to regional or sub-national efforts towards HIE

# Section 3012 - Health Information Technology Implementation Assistance

- Directs the Secretary, through the ONC, to establish a health IT extension program to provide health IT assistance services to be carried out through HHS
- Create a Health IT Research Center to provide technical assistance and develop or recognize best practices to support and accelerate efforts to adopt, implement, and effectively utilize health IT that allows for the electronic exchange and use of information
- Provide assistance for the creation and support of regional centers to provide technical assistance and disseminate best practices from the Center
- Each regional center shall aim to provide assistance and education to all providers in a region
- Financial support to any regional center may not exceed more than 50 percent of the capital and annual operating and maintenance funds after 2011
- Unspecified portion of \$2 billion

# Section 3013 - State Grants to Promote Health Information Technology

- National Coordinator shall establish a program to facilitate and expand electronic movement and use of health information among organization according to nationally recognized standards
- Grants to States or qualified State-designated entity - \$300 million
- State must agree to match
  - FY11, not less than \$1 for each \$10 of federal funds provided under the grant;
  - FY12, not less than \$1 for each \$7 of federal funds provided under the grant, and
  - FY13 and each subsequent fiscal year, not less than \$1 for each \$3 of federal funds provided under the grant.
- For fiscal years before FY11, the Secretary may determine the extent to which there shall be required a non-federal contribution from a state receiving a grant
- Uses:
  - Enhancing broad and varied participation in HIE projects
  - Solutions to barriers to HIE
  - Assisting consumers to use HIT
  - Supporting public health agencies use of HIT

# Section 3014 – Competitive Grants

- “ Competitive Grants to States and Indian Tribes for the Development of Loan Programs to Facilitate the Widespread Adoption of Certified EHR Technology”
- National Coordinator may award competitive grants to eligible entities for the establishment of programs for loans to healthcare providers
- Funding must be allocated for certified EHR technology
- An eligible entity shall establish a certified EHR technology loan fund and specify the intent to use funds
- Unspecified portion of \$2 billion
- Match \$1 for each \$5 of grant from private funds
- Requires application and strategic plan

# Section 3015 – HIT for Clinical Education

- Grants for demonstration projects to develop academic curricula for health professionals to use certified EHRs
- Institutions with graduate medical education program
- Awarded on competitive basis, subject to peer review
- Applicants to focus on medical errors reduction, increased access to prevention, chronic disease reduction, healthcare quality enhancement
- Metrics for improving patient safety, increasing efficiency of healthcare delivery, increasing the likelihood that graduates will adopt and incorporate certified EHR technology in practice
- 50% match from grantees
- Comes out of the \$2B

# Section 3016 – HIT Professional Education

- Assistance to higher education institutions to establish or expand medical health informatics education programs
- Eligible programs range from certification programs up to masters degree programs
- To provide assistance with:
  - Developing and revising curricula in medical health informatics and related disciplines
  - Recruiting and retaining students to the program
  - Acquiring necessary equipment for student instruction, including the installation of testbed networks for student use
  - Establishing or enhancing bridge programs in health informatics between community colleges and universities
- Priority will be given by the Secretary for funding of existing programs, and to those designed to be completed in less than six months
- Comes out of the \$2B

# Section 4101 – Medicare Incentives for Meaningful EHR Use: Professionals

- Incentive payment to certain eligible professionals for the “meaningful use” of a certified EHR
- “Eligible professionals” means all physicians participating in Medicare, except hospital-based physicians, and includes Medicare Advantage participating physicians as determined by HHS
- “Certified EHR” to be determined by HHS regulations
- Incentive payments equal to 75% of allowed charges for all Medicare covered services provided by a physician, not to exceed stated caps – payable to the physician
- Rural provider in a Health Professionals Shortage Area (HPSA) will get an extra 10% of allowed charges
- Meaningful use demonstrated in 2011 or 2012 will allow maximum incentives of \$18,000 during first year, and \$12,000, \$8,000, \$4,000 and \$2,000 in subsequent years
- Meaningful use demonstrated in 2013 will allow maximum incentives of \$15,000 during the first year, and \$12,000, \$8,000, \$4,000 and \$2,000 in subsequent years
- Meaningful use demonstrated after 2013, will allow maximum incentives each year counting down from 2013

# Section 4102 – Medicare Incentives for Meaningful EHR Use: Hospitals

- Incentives under the IPPS for hospitals participating in Medicare that demonstrate meaningful use of EHR
- Formula for incentives: \$2M plus \$200 multiplied by the number discharges between 1,150 and 23,000 and multiplied by hospital's Medicare percentage, adjusted upward for true charity care
- Diminishing over a 4-year period
  - 100%, 75%, 50%, 25% for demonstrated meaningful use in 2011, 2012 and 2013
  - Demonstrated meaningful use after 2013 will line up with demonstrated users in 2013
  - No incentive payments for meaningful use beginning after 2015

# Section 4102 (b) – Medicare Incentives: Critical Access Hospitals

- Incentive structure takes into account cost-based reimbursement for CAH
- CAH that is a meaningful user can
  - expense reasonable EHR cost in year of expenditure
  - depreciate prior costs not previously depreciated
- CAH that is not a meaningful user by 2015 will have reimbursement cut for 2015, 2016, 2017

# “Meaningful Use”

- Rough guidance in the Act: at least
  - e-prescribing
  - electronic exchange of health information to improve the quality of health care, such as promoting care coordination
  - more stringent over time
- HIT Policy Committee Draft – June 16, 2009 – 2011, 2013, 2015 – Based on NQF – 5 categories
  - Improving quality, safety and efficiency; reducing health disparities
  - engaging patients and families
  - improving care coordination
  - improving population and public health
  - ensuring adequate privacy and security protection for PHI
- Controversial components
  - CPOE by 2011
  - Burdens of reporting
  - Means of patient access to records
  - Interaction with PHRs
- Next draft expected July 16, 2009
- CMS will issue regulations before year end 2009; final in early 2010

# Section 4201 – Medicaid Incentives

- “Eligible providers” – professionals not hospital-based with 30% Medicaid patients or 20% for pediatricians; or FQHC-based with 30% needy population; children’s hospitals; acute hospitals with 10% Medicaid load
- Professionals: 85% of allowable cost of certified EHR for up to 5 years (deducting amounts funded by other government sources) up to \$25,000 for year 1 and \$10,000 for years 2-5; starting no later than 2015 and ending by 2021; pediatricians get 66% of these amounts unless Medicaid share is 30% or more
- Hospitals: about half of EHR allowable amount times Medicaid share over 6 years; can receive both Medicare and Medicaid incentives

# Section 6001- Wireless and Broadband

- Nat'l Telecommunications and Information Admin (NTIA) \$4.7 billion and Rural Utilities Services (RUS) \$2.5 billion
- Deploy wireless and broadband in rural areas
- 80/20 Match
- Wireless providers; governments; anyone else
- States submit list of priorities
- Uses: loans, loan guarantees and grants

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