



American Recovery and Reinvestment Act of 2009, (H.R. 1)

President Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA), H.R. 1 on February 17, 2009. Importantly, ARRA contains significant reimbursement for medical groups, other organized systems of care, and physicians that utilize health information technology (HIT) systems. The House of Representatives passed H.R. 1 with a vote of 246 yeas to 183 nays, and in the Senate, 60 yeas to 38 nays. H.R. 1 contains the following provisions pertaining to medical groups and health care:

Health Information Technology

- **\$20 billion (approximate) for the advancement of HIT.**
- Incentive payments to medical groups and physicians that qualify as a “meaningful electronic health record (EHR) user”:
 - Year 1: \$18,000 for early adopters, if the first payment year is 2011 or 2012; \$15,000 for those who are not
 - Year 2: \$12,000
 - Year 3: \$8,000
 - Year 4: \$4,000
 - Year 5 (final): \$2,000
 - Early adopters will earn up to \$44,000
 - A 10% increase will apply to physicians predominantly furnishing services in a rural area designated by HHS as a health professional shortage area.
- Penalties for not adopting EHR begin in 2015 with the following penalties:
 - 2015: -1%
 - 2016: -2%
 - 2017 and subsequent years: -3%
- Hospital incentive payments:
 - Hospitals receive a base payment of \$2 million for use of electronic health records
 - Payments will be adjusted based on the number of discharges, Medicare/Medicaid patient mix, and are tapered down over four years
- **A meaningful EHR user** must meet the following requirements:
 - The EHR must be “certified”
 - The EHR must include electronic prescribing
 - The EHR allows for the electronic exchange of health information
 - Medical groups/physicians must submit clinical measures to HHS
 - The law specifically allows HHS to adopt an alternative qualifying mechanism for medical groups



- **Privacy provisions include:**

- Starting in 2011, all covered entities using an electronic health record are required to account for disclosures of personal health information (PHI). For early adopters, the accounting requirement begins in 2014. However, HHS may postpone the effective dates to 2014 and 2018 respectively.
- A patient may request an accounting of disclosures covering 3 years prior to the date of their request for an accounting of disclosures.
- Regulations of what must be included in the accounting of disclosures which will take effect no later than 18 months after the Secretary has determined the standards for accounting of disclosures.
- The law stipulates that the administrative cost burden must be taken into account by the Secretary in developing rules.
- Patient authorization will not be required for quality assessment and improvement activities.

Comparative Effectiveness Research

- **\$1.1 billion for comparative effectiveness research (CER)** will be distributed to the Agency for Healthcare Quality and Research (\$300,000,000) and the National Institutes of Health (\$400,000,000). CER is not intended to be used to determine coverage or reimbursement, rather it is intended to research and evaluate the risks and benefits of two or more medical treatments per specific disease.

COBRA

- **\$24.7 billion for the expansion of COBRA** for continuing health insurance coverage of unemployed persons and their families. The bill provides a 65% subsidy for COBRA premiums up to 9 months for workers who have been involuntarily terminated. To qualify, the person must be involuntarily terminated between September 1, 2008 and December 31, 2009 and income must not exceed \$125,000 for individuals and \$250,000 for families.

Temporary Federal Medical Assistance Percentage (FMAP)

- **\$86.6 billion for assisting states with Medicaid.** All states will receive a 6.2% increase in funding for a 27-month period beginning October 1, 2008 through December 31, 2010, allowing States to reduce Medicaid financial obligations due to increases in the unemployment rate.

Prevention and Wellness

- **\$1 billion for prevention and wellness programs.** Provides funding for the Centers for Disease Control and Prevention immunization programs, for states to carry out health associated infection reduction programs, and evidence-based clinical and community-based strategies authorized by the Public Health Service Act.

To access H.R. 1, please click [here](#), Title XIII- Health Information Technology starts on page 900.