

AMERICAN RECOVERY AND REINVESTMENT ACT
Summary of Health and Income Support Provisions in Conference Agreement

ASSISTANCE FOR UNEMPLOYED WORKERS AND FAMILIES -- \$59 BILLION

Unemployment Insurance [\$40 billion]

Extension of Emergency Unemployment Compensation Program through December 2009
(\$26.96 billion)

- Provides an additional 20 weeks of unemployment benefits and, in high unemployment states, an additional 13 weeks (for a total of 33 additional weeks)

Increase in Unemployment Compensation Benefits (\$8.8 billion)

- Increases unemployment weekly benefits by an additional \$25

Unemployment Compensation Modernization (\$2.975 billion)

- Provides \$500 million for state administrative costs to be shared by all states
- Provides one-time funding to states for allowing workers to qualify for benefits by counting more recent wages and/or improving access to unemployment insurance for low-wage, part-time and other jobless workers already paying into the system. This funding is available to states for 3 years

Temporary Assistance to States with Advances (\$1.1 billion)

- Temporarily waives interest payments and the accrual in interest on loans received by state unemployment trust funds through December 31, 2010

Other Provisions:

- Extends unemployment compensation for 13 weeks to railroad workers since they are not included in the Federal/state unemployment system (\$21 million).
- Provides temporary federal assistance to states for the administration of the Extended Benefits program (\$150 million)

Temporary Assistance for Needy Families (TANF) [\$3 billion]

TANF Emergency Contingency Fund through 2010 (Score pending)

- Creates a capped TANF Emergency Contingency Fund for two years to provide states with relief during this recession

Extension of TANF Supplemental Grants through FY 2010 (\$319 million)

- Provides additional assistance for FY 2010 to qualifying states with high population growth and/or increased poverty at the same amount awarded in FY 2009

Child Support Enforcement (CSE) [\$1 billion]

- Repeals cuts to child support enforcement funding through September 30, 2010

Seniors, Disabled Veterans and SSI recipients [\$15 billion]

- Provides a payment of \$250 to Social Security beneficiaries and SSI recipients receiving benefits from the Social Security Administration and Railroad Retirement beneficiaries, as well as veterans receiving disability compensation and pension benefits from the VA

HEALTH INSURANCE ASSISTANCE -- \$21 BILLION

Premium subsidies available for COBRA Continuation Coverage for unemployed workers [\$21.4 billion]

- Subsidy for eligible workers is 60% of the premium for 9 months
- Administered by Treasury through mechanism that allows employers (or health plans if they administer COBRA benefits) to receive a credit against payroll taxes
- Individuals with annual incomes above \$125,000 (single) or \$250,000 (couples) would not be eligible

Medicare Payments for Teaching Hospitals [score pending]

- Blocks a FY09 Medicare payment reduction to teaching hospitals related to capital payments for indirect medical education (IME)

Medicare Payments to Hospice [score pending]

- Blocks FY09 Medicare payment cut to Hospice providers related to a wage index payment add-on

Medicare Payments to Long Term Care Hospitals [score pending]

- Technical corrections to the Medicare, Medicaid, and SCHIP Extension Act of 2007 related to Medicare payments for long-term care hospitals

STATE FISCAL RELIEF AND MEDICAID -- \$90 BILLION

Temporary FMAP increase -- Increases FMAP funding as follows [\$86.7 billion]

- Funding distributed for a 27-month period beginning 10/1/2008 through 12/31/2010
- Across-the-board increase to all states of [6.2%] and corresponding increase for territories
- Bonus structure (in addition to across-the-board increase) in the form of a decrease in the State share based on the State's increase in the unemployment rate
- Maintenance of effort on eligibility

Temporary Increase in Disproportionate Share Hospitals (DSH) Payments [\$500 million]

- Increases states' FY2009 annual DSH allotments by 2.5%
- Increases states' FY 2010 by 2.5% above FY2009 DSH allotment (with the adjustment)
- After FY2010, states' annual DSH allotments would return to 100% of the annual DSH allotments as determined under current law

Extends Moratoria on Medicaid Regulations [\$100 million]

- Extends moratoria on Medicaid regulations for targeted case management, provider taxes, and school-based administration and transportation services through June 30, 2009
- Adds moratorium on Medicaid regulation for hospital outpatient services through June 30, 2009
- Sense of Congress that the Secretary of HHS should not promulgate regulations concerning intergovernmental transfers, Graduate Medical Education, and rehabilitative services

Transitional Medical Assistance (TMA) [\$1.3 billion]

- Extends TMA through December 31, 2010 (current program expires June 30)

QI Program [\$550 million]

- Extends the Qualified Individual (QI) program through December 31, 2010

Indian Health provisions from IHCA [\$100 million]

- Eliminate cost-sharing for American Indians and Alaska Natives in Medicaid
- Provides protections for Indian Tribal property and protections for access to Indian facilities

Prompt Payment Requirements for Nursing Facilities and Hospitals [\$680 million]

- Applies prompt pay requirements to nursing facilities and hospitals in Medicaid

HEALTH INFORMATION TECHNOLOGY -- \$19 BILLION

Adoption and Use of Health Information Technology (HIT) [\$19 billion]: Provides \$19 billion funding for health information technology – \$17 billion for Medicare and Medicaid incentives and \$2 billion for HIT grants

Summary of Standards Adoption, Grants, and Privacy Protections:

- Codifies the Office of the National Coordinator for Health Information Technology (ONCHIT) and establishes an open and transparent process led by the National Coordinator to develop standards by 2010 that allow for secure nationwide electronic exchange of health information.
- Provides \$2 billion in immediate funding for health information technology infrastructure, training, dissemination of best practices, telemedicine, inclusion of health information technology in clinical education, and state grants to promote health information technology.
- Improves and expands current federal privacy and security protections for health information such as requiring that an individual be notified if there is an unauthorized disclosure or use of their health information and requiring a patient's permission to use their personal health information for marketing purposes.

Summary of Medicare and Medicaid HIT provisions:

- Invests in the adoption and use of health IT, such as electronic health records by providers who serve Medicare and Medicaid patients.
- Provides temporary bonus payments ranging from \$44,000 to \$64,000 for physicians and up to \$11 million for hospitals that meaningfully use electronic health records.
- Supports Medicare and Medicaid incentive payments for critical access hospitals, federally qualified health centers, rural health clinics, children's hospitals, and others.
- Phases-in Medicare payment penalties for those physicians and hospitals not using electronic health records starting in 2014.
- Achieves 90% adoption rate for physicians and 70% for hospitals for using electronic health records.
- Generates savings of over \$12 billion through improvements in quality of care and care coordination and reductions in medical errors and duplicative care