



**The American Recovery and Reinvestment Act of 2009**  
**Health Information Technology Incentives**  
*American College of Cardiology Summary*

President Barack Obama on Feb. 17 signed into law the “American Recovery and Reinvestment Act of 2009” (ARRA), authorizing \$20 billion to assist in the development of a robust health information technology (IT) infrastructure. The law formally codifies the Office of the National Coordinator (ONC), which is responsible for coordinating the health IT programs created by the law; endorsing certification and standards; leading the committees that fall under the ONC; and updating the Federal Health IT Strategic Plan. Below is a summary of key information about the health IT incentives.

**Incentives for Adoption**

ARRA authorizes \$17.2 billion in incentives through Medicare and Medicaid to assist providers in adopting health IT. From 2011-2015, physicians that demonstrate “meaningful use” of electronic health record (EHR) technology and performance during the reporting period of each payment year will be eligible for positive payment incentives. Beginning in 2015, physicians who are not meaningfully using EHRs will receive negative Medicare payment updates.

The law defines a **meaningful user** as a physician who:

1. Uses a certified EHR in a meaningful manner, which includes the use of electronic prescribing (e-prescribing)
2. Uses a certified EHR that can accommodate the electronic exchange of health information to improve quality
3. Submits information on clinical quality measures, as chosen by the Health and Human Services (HHS) Secretary, for the reporting period

The law defines a **certified** EHR technology as that which includes patient demographic and clinical health information, including medical history and problem lists, with the ability to provide clinical decision support. The decision support tools should support physician order entry and be able to capture and query quality information. The tools should also be able to exchange and integrate health information from outside sources.

Physicians are able to receive **incentives** equal to 75 percent of their allowable Medicare Part B charges, subject to the following caps:

First payment year: \$18,000 in 2011 or 2012; \$15,000 in 2013; \$12,000 in 2014  
Second payment year: \$12,000  
Third payment year: \$8,000  
Fourth payment year: \$4,000  
Fifth payment year: \$2,000

Beginning in 2015, the **penalties** are as follows:

2015: -1 percent of Medicare allowed charges  
2016: -2 percent  
2017: -3 percent

*\* Exceptions: Eligible professionals in a health professional shortage area will receive a 10 percent increase in incentive payment amounts. Health professionals who work in a predominantly rural area will receive a 25 percent increase in payment amounts.*

Physicians who qualify for the health IT incentive will not be eligible for the incentives offered under the [CMS e-prescribing program](#). The e-prescribing incentives run from 2009 to 2013.

Hospitals are also eligible to receive incentive payments if they are meaningful users of certified EHR technology, although the payment structure is significantly different.

### **Other Provisions**

- **Standards:** The law determines that an initial set of standards will need to be adopted by Dec. 31, 2009, that will include implementation specifications and certification criteria.
- **Education:** The law authorizes the development of a program that will provide health care providers with health IT technical assistance, and develop and publicize best practices that can ease the adoption, implementation and utilization of health IT.
- **Open Source Study:** The law requires by no later than Oct. 10, 2010, the completion of a study that examines the availability of open source health IT systems; the total cost of ownership of these types of systems, compared to proprietary commercial products; and capacity of open source systems to facilitate interoperability.

The ACC recommends that members who do not currently use an EHR begin the process of adoption in 2009 and implement a system no later than 2010 in order to receive the maximum bonuses available under the program.

Practices interested in implementing EHR systems should be sure that EHR vendors provide a guaranteed upgrade path that ensures their products will meet certification criteria as established by HHS. Including this requirement will also benefit practices interested in purchasing and implementing systems in 2009. The ACC also recommends purchasing a CCHIT-certified EHR.

Given the many benefits of using health IT, including reduced administrative cost and medical errors, the ACC highly encourages members to take advantage of the federal funding available from 2011-2015. The funding can significantly offset the cost of adopting this technology.

The ACC will provide updates on the program as they become available from HHS. Visit [acc.org/healthit](http://acc.org/healthit) for tools and resources to assist in the selection, adoption and implementation of an EHR, or contact [ht@acc.org](mailto:ht@acc.org).