



What is the ARRA of 2009...

The American Recovery & Reinvestment Act (ARRA) of 2009 is an economic stimulus package implemented by Congress on President Obama's 28th day after inauguration and is intended to stimulate the U.S. economy using a combination of federal tax cuts along with strategic domestic spending in health care, education and infrastructure for a cost totaling \$787 billion.

Breaking Down the \$\$...

Of the \$787 billion designated for the stimulus package, \$157 billion has been denoted to Healthcare spending as follows:

- \$90 billion – Medicaid for State
- \$25 billion – Health Insurance (Cobra, etc.)
- \$10 billion – Scientific Issues (Research)
- \$10 billion – Grants, loans & training
- **\$21 billion – Health IT connectivity & the adoption of EHR's – the HITECH Act**

Incentive Definitions, Payments & Penalties...

In the HITECH Act, two incentive payment programs have been outlined. There is one through Medicare and another through Medicaid. Providers can only receive payments from one or the other and will need to determine which of the programs will benefit their practice most and be able to prove meaningful use of a certified EHR system in order to receive the payments that can begin as early as 2011 with penalties for non-use starting in 2015.

Requirements for Reimbursement...

The following requirements and eligibility stipulations have been announced with further details to be determined:

1. Must be an office based physician outside the hospital – i.e. medical doctor, dentist, podiatrist, optometrist or chiropractor
2. Non-eligible physicians include – hospital based physician, pathologist, anesthesiologist, emergency physician & hospitalist
3. Eligible professional must prove meaningful use of a certified EHR
4. EHR technology must be connected so as to provide electronic exchange of health information
5. Eligible professional is to submit information for period on clinical quality & other measures as selected by the Secretary

Meaningful Use Defined...

What is meaningful use? Currently the working definition consists of the following with the official rules to be determined and released by the end of 2009:

1. Use of a certified EHR with ePrescribing capabilities that meets current HHS (Department of Health & Human Services) standards.
2. EHR technology connected so as to provide electronic exchange of health information
3. Ability to submit usage information for period on clinical quality to the HHS



The ARRA of 2009 & YOU continued

Medicare Payment Disbursement Schedule...

Qualified Physician to be paid 75% of Part B claims submitted up to maximum distribution of \$44,000 over 5 years broken down as follows based on adoption year:

		Adoption Year				
		2011	2012	2013	2014	2015
Available Reimbursement Per Year	2011	\$18,000	-	-	-	-
	2012	\$12,000	\$18,000	-	-	-
	2013	\$8,000	\$12,000	\$15,000	-	-
	2014	\$4,000	\$8,000	\$12,000	\$15,000	-
	2015	\$2,000	\$4,000	\$8,000	\$12,000	-
	2016	-	\$2,000	\$4,000	\$8,000	-
	Total	\$44,000	\$44,000	\$39,000	\$35,000	-

Medicaid (Medi-Cal) Payment Disbursement Schedule...

Qualified Physicians (30% of patients or 20% of Pediatrician patients must be Medi-Cal) to be paid up to maximum distribution of \$65,000 over 5 years broken down as follows based on adoption year:

		Adoption Year						
		2011	2012	2013	2014	2015	2016	2017
Available Reimbursement Per Year	2011	\$25,000	-	-	-	-	-	-
	2012	\$10,000	\$25,000	-	-	-	-	-
	2013	\$10,000	\$10,000	\$25,000	-	-	-	-
	2014	\$10,000	\$10,000	\$10,000	\$25,000	-	-	-
	2015	\$10,000	\$10,000	\$10,000	\$10,000	\$25,000	-	-
	2016	-	\$10,000	\$10,000	\$10,000	\$10,000	\$25,000	-
	2017	-	-	\$10,000	\$10,000	\$10,000	\$10,000	-
	2018	-	-	-	\$10,000	\$10,000	\$10,000	-
	2019	-	-	-	-	\$10,000	\$10,000	-
	2020	-	-	-	-	-	\$10,000	-
	Total	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	-

Non-Compliance...

In addition to the incentives being offered to motivate physicians to implement the new technology, beginning in 2015, penalties for Medicare Part B payments will be applied:

- 2015 – decrease to 99% of regular fee schedule
- 2016 – decrease to 98%
- 2017 & beyond – 97% each year



To learn more about how you can take advantage of the incentives by implementing an EHR into your practice contact Bob 805.547.1255 x112.