



KEY PROVISIONS OF THE HEALTHCARE STIMULUS PACKAGE

Major Health Care Provisions

- State Medicaid Assistance - \$87 billion
- COBRA Subsidies - \$24.7 billion
- Health Information Technology - \$2 billion
- Provider Incentives- \$17 billion
- Prevention - \$1 billion
- Comparative Effectiveness - \$1.1 billion
- Privacy Protections

Medicaid/COBRA Provisions

- Medicaid: States receive additional \$87 billion
- COBRA: \$24.7 billion in federal subsidies
 - For previously insured unemployed:
 - if involuntarily terminated between September 1, 2008 and January 1, 2010
 - Subsidizes 65% of private health insurance COBRA premiums for nine months.
 - But there are income limits.

Health Information Technology

- Total: \$19 billion (\$2 billion discretionary, \$17 billion in Medicare incentives)
- Establishes Office of the National Coordinator for Health Information Technology (ONCHIT)
 - Policy Committee
 - Standards Committee
 - Certification Criteria for electronic info exchange



- HIT infrastructure grants
- Other Grants & Loans
 - Planning Grants
 - Implementation Grants
 - Loan Programs
- \$17 billion in investments and incentives:
 - Hospitals
 - Incentive payments under Medicare Part A over a four year period to meaningful users of HIT.
 - Physicians
 - Eligible to receive up to \$44,000 spread over a five-year period through Medicare Part B starting in 2011 if physicians adopt HIT and become meaningful users.
 - There are penalties for failure to adopt HIT by 2016.

Prevention

- \$1 billion for a “Prevention and Wellness Fund”
 - Administered by the Department of Health and Human Services.

Comparative Effectiveness Research

- Total: \$1.1 billion
 - \$300,000,000 to AHRQ
 - \$400,000,000 to NIH to conduct or support comparative effectiveness research.
 - \$400,000,000 allocated at the discretion of DHHS to:
 - Purpose: Accelerate development and dissemination of the comparative effectiveness of health care treatment and strategies by:
 - Conducting, supporting, synthesizing research



- Comparing clinical outcomes, effectiveness, and appropriateness of items, services and procedures
 - Encourage development and use of clinical registries, clinical data networks, and other forms of electronic health data that can be used to generate and obtain outcomes data.

Privacy Protections

- Business Associates: HIPAA security standards and the civil and criminal penalties for violating those standards now apply
- Notification of breach of unsecured protected health information (PHI) within a specific time period. In some breach cases, notice must be provided to “prominent medial outlets.”
- No disclosure of PHI by Business Associate unless disclosure permitted by a Business Associate Agreement.
- Patient Privacy Rights:
 - Receive electronic copy of PHI, if maintained in an electronic health record.
 - Patients may request that specific PHI not be disclosed to a health plan if the patient paid for specific service out-of-pocket
 - Receive an accounting of PHI disclosures (up to three years prior to the date requested).
- Prohibition on the sale of PHI by covered entity or business associate without patient authorization (except in certain specified circumstances)
- Breach notification requirements of personal health records (PHR) vendors and entities offering products/services through a PHR vendor website (e.g., Google, Microsoft)
- Enforcement
 - Increased penalties
 - Office of Civil Rights: investigations and penalties for criminal HIPAA violations (if Justice Department has not already prosecuted)
 - Still no private right of action



For Further Information Please Contact:

David C. Main, Partner
Pillsbury Winthrop Shaw Pittman LLP
1650 Tysons Boulevard
McLean, Virginia 22102
(703) 770-7900
david.main@pillsburylaw.com