



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
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- 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 media 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



KEY PROVISIONS OF THE PRESIDENT'S BUDGET

- \$634 billion “down payment” for health reform
 - Sets aside \$634 billion over the next 10 years in a “health care reserve fund” to finance fundamental reform...but additional funding will be needed.
 - Funded half by new revenue and half by “savings proposals that promote efficiency and accountability, align incentives toward quality, and encourage shared responsibility.”
 - Cuts in Medicare spending:
 - The budget includes a number of policies that reduce Medicare spending by establishing competitive bidding for Medicare Advantage, reducing home health payments, reducing reimbursements for Medicaid prescription drugs, bundling Medicare payments for hospital and post-acute care, and providing incentives to improve quality.
 - Strengthen program integrity.
 - Tax increase:
 - The President’s budget would limit the tax break on itemized deductions for families with incomes above \$250,000.
- NIH Cancer Research
 - Over \$6 billion within the National Institutes of Health to support cancer research.
- FDA Funding
 - Over \$1 billion for FDA food safety activities.
 - Proposals to allow for the importation of prescription drugs.

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