

Federal Stimulus Funding

Thursday, May 21, 2009

HHS Outlines Plans for HIT Incentive Payment Program

HHS has unveiled its plan for providing Medicare and Medicaid incentive payments for the "meaningful use" of electronic health records as authorized under the federal economic stimulus package, [Health Data Management](#) reports.

HHS announced that Medicare incentive payments to eligible hospitals will begin in October 2010, while Medicare incentive payments to physicians and Medicaid incentive payments to physicians and hospitals will begin in January 2011.

By the conclusion of 2009, HHS expects to have:

- Coordinated with the Office of the National Coordinator for Health IT to create related policies for the incentive programs, including the definition of meaningful use;
- Established proposed rules to permit public input on the incentive program policies;
- Mapped out systems and other requirements to support the incentive programs; and
- Planned a national outreach program.

Meanwhile, by the end of 2010, HHS expects to have:

- Conducted outreach to eligible professionals, health care providers, state Medicaid agencies;
- Developed systems to support the payment of incentives;
- Developed final rules to establish policies to pay incentives;
- Created systems to track and evaluate incentive payments

At a Brookings Institution seminar on Wednesday, National Coordinator for Health IT David Blumenthal acknowledged that there has been significant skepticism that the nearly \$20 billion allocated for health IT in the federal stimulus package will improve health care quality and reduce costs, but said that it can play a "critical" role because of the importance of information in health care decision making.

Blumenthal noted that the federal government will seek "enormous" public input in defining meaningful use of EHRs. He added that policymakers are focusing on outcomes of the use of EHRs, rather than on the processes involved in the technology.

Blumenthal said that although the stimulus funding might encourage some health care providers to invest in EHRs, "this is not about the technology, and ultimately I hope it's not about the money." He said, "If we can show physicians and hospitals that they can be better at their basic work with this technology than they could ever be without it, if we can show the value that it provides day in and day out in the provision of patient care, if we can show that same thing to the American public, then I think the money will be a sweetener but not a determinant of adoption."