

Economic Recovery:

The American Recovery & Reinvestment Act

Oregon will get \$830 million under the recently passed economic stimulus package for Medicaid services, and additional funds may be allocated for health information technology programs. Higher Medicaid matching rates go into effect retroactively, to October 1, 2008, and last until December 1, 2010.

- ▶ **Medicaid:** Enhanced match rates decrease the funds state must pay to obtain federal Medicaid dollars.
 - Federal stimulus dollars will boost TOTAL federal matching rates for Medicaid in Oregon by 16%, to 72.61%, for the 15-month period between April 2009 and June 2010.
 - The total federal match rate would be 68.65% for the periods between October 1, 2008 and March 31, 2009, and also likely between July and December 2010.
- ▶ **DSH Payments:** Hospitals that qualify for Medicare Disproportionate Share Payments receive enhanced payments under the economic stimulus bill.
 - DSH payments will increase 2.5% for FFY 2009 (10/1/08 to 9/30/09) and another 2.5% in FFY 2010. After 2010, states' annual DSH allotments return to 100% of the annual DSH allotments as determined under current law.
- ▶ **Maintenance of Effort Provision:** Restricts states that receive economic stimulus dollars from reducing Medicaid eligibility standards in effect as of July 1, 2008.
- ▶ **Prompt Pay requirements for hospitals and nursing facilities:** States cannot access the temporary FMAP increase if they fail to meet Medicaid prompt pay requirements for hospitals and nursing facilities, which mandate 90% of clean claims paid within 30 days and 99% of clean claims paid within 90 days. Requirement applies to claims filed after June 1, 2009.
- ▶ **Coverage for the Uninsured:** Workers (and their families) who have been involuntarily terminated are eligible for a 65% subsidy for COBRA health insurance premiums for a 9-month period. The job termination period is between September 1, 2008 and December 31, 2009. Participants must attest that their same-year income must not exceed \$125,000 for an individual or \$250,000 for families.
- ▶ **Health Information Technology:** Measure provides \$17 billion in federal financial incentives for states for Medicare and Medicaid providers and \$2 billion to invest in health information infrastructure.
 - **State grants to promote health information technology:** Government may grant states or state-designated entities funds designated to facilitate and expand the use of health information technology. States must match federal funds. Funds may be used for HIT infrastructure to support health information exchange, for infrastructure and tools to promote telemedicine, promotion of interoperability, integration of HIT for health professionals and others in the industry, training and dissemination of best practices on integrating HIT into provider workflow.
 - **Grants to create state loan programs for health IT funding:** Grants may be obtained by states or Tribes to create loan funds will which provide competitive loans to providers to facilitate the purchase of certified EHR technology, enhance the utilization of EHR technology, to train personnel in the use of such technology or to improve secure exchange of health information. Interest rates on loans must not exceed the market rate, and repayment must start within one year.
 - **Medicaid Provider IT Incentives:**
 - States will be paid 100% match for up to 85% of allowable costs of EHR technology, support services, maintenance and training for the adoption and operation of systems by Medicaid Eligible hospitals, and up to 90% of the cost of administrative expenses related to paying for that technology.
 - Children's hospitals and acute care hospitals with at least 10% Medicaid volume are eligible.
 - **Expansion of Broadband Technology:** Grants may go toward acquiring equipment and other technology related to broadband infrastructure. Services that enhance the delivery of health care will be given consideration in the award. Additional funds authorized for broadband loans and loan guarantees for distance learning and telemedicine.
 - **Teaching hospitals:** Competitive grants may be awarded to carry out demonstration projects develop academic curricula integrating certified EHR technology into clinical education of health professionals.