



Client Alert

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American Recovery and Reinvestment Act (ARRA) Grants for Electronic Health Record Systems and Networks Announced

On August 20, 2009, Vice President Biden and HHS Secretary Sebelius announced the availability of nearly \$1.2 billion in grants funded through the American Recovery and Reinvestment Act (ARRA). The grants are intended to help health care providers implement and use electronic health records. The grants will be made available to qualifying entities in 2010.

The grants include:

- \$598 million in grants for the establishment of approximately 70 Health Information Technology Regional Extension Centers. The Extension Centers established through the grants will provide hospitals and health care professionals with assistance in the selection, acquisition, implementation, and meaningful use of certified electronic health record systems. The Extension Centers must be affiliated with a U.S.-based, nonprofit institution or organization, or an entity thereof.
- \$564 million in grants to individual states and Qualified State Designated Entities to be used to support efforts to achieve widespread and sustainable health information exchange (HIE) through the "meaningful use" of certified electronic health records, including establishing HIE capacity among health care providers and hospitals in their jurisdiction. As part of the grant process, CMS will issue proposed criteria for "meaningful use" by the end of 2009.

Participating states will be required to:

- o Develop and implement up-to-date privacy and security requirements for HIE;
- o Develop directories and technical services to enable interoperability within and across states;
- o Coordinate with Medicaid and state public health programs to enable information exchange and support monitoring of provider participation in HIE.
- o Remove barriers that may hinder effective HIE, particularly those related to interoperability across laboratories, hospitals, clinician offices, health plans and other health information exchange partners;
- o Ensure an effective model for HIE governance and accountability is in place; and
- o Convene health care stakeholders to build trust in and support for a statewide approach to HIE.

When making the announcement, Vice-President Biden was quoted as saying, "With electronic health records, we are making health care safer; we're



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making it more efficient; we're making you healthier; and we're saving money along the way. These are four necessities we need for healthcare in the 21st century." Secretary Sebelius stated that "Expanding the use of electronic health records is fundamental to reforming our health care system. Electronic health records can help reduce medical errors, make health care more efficient and improve the quality of medical care for all Americans. These grants will help ensure more doctors and hospitals have the tools they need to use this critical technology."

Information about the Extension Center grants is available at: <http://healthit.hhs.gov/extensionprogram>; information about the State and State Designated Entity grants is available at <http://healthit.hhs.gov/stateHIEgrants>.

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