

American Recovery and Reinvestment Act Info

The \$787 billion American Recovery and Reinvestment Act of 2009 includes approximately \$20 billion for Healthcare IT. The government will try to encourage the purchase of a "government" EMR through a conditional "IOU". To clarify the details of the legislation and its potential impact, the following is a summary of the key items relating to the healthcare IT incentives. What does it really mean for the nation's physicians and medical practices?

Participation in this program is voluntary, i.e., the government is not requiring you to purchase and EMR. The law specifically states: "...nothing in such Act or in the amendments made by such Act shall be construed to require a private entity to adopt or comply with a standard or implementation specification adopted under section 3004." [Sec. 3006 (a) (1)]

This means that you are free to select the digital solution that best meets the needs of your practice, rather than letting the government make this important choice for you. The potential incentive is a maximum of \$44,000 per physician, depending on when you implement the "government" EMR, and is paid out over 5 years. [Sec.4101]

_ The earliest payment year is 2011.

_ Payment schedule: Year 1: \$15,000 or \$18,000, Year 2: \$12,000, Year 3: \$8,000, Year 4: \$4,000, Year 5: \$2,000 (an average of \$8,800 per year)

_ To receive the full amount, the EMR must be implemented by 2012; to receive any incentive payments, the EMR must be implemented by 2014; no payments are made after 2016.

_ In 2015, a 1% reduction in Medicare reimbursement will affect nonparticipants, 2% in 2016, and 3% in 2017.