

Public Policy Council

**UPDATE ON THE ECONOMIC STIMULUS PACKAGE
– THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 –
H.R. 1**

On February 13, 2009, the House and Senate passed the \$787 billion “recovery and reinvestment” plan providing a combination of new spending and tax cuts to states, communities and families in an effort to stimulate the failing economy. In the House the vote was 246 – 183 with no Republicans voting in favor of the bill. In the Senate, after holding the vote open for several hours the final vote was 60 to 38, with three Republicans – Senators Susan Collins (R-ME), Olympia Snowe (R-ME) and Arlen Specter (R-PA) - joining all of the Democrats. President Obama is scheduled to sign the bill in the next few days.

The 1100-page stimulus plan includes an investment in, support for and increased funding for several programs and activities important to children and families. These include:

\$10 billion is provided for the National Institute of Health (NIH). The funding is allocated in the following manner - \$8.2 billion is for the Office of the Director, with \$7.4 billion designated for transfer to the Institutes, Centers, and Common Fund, and \$800 million retained for the Office of the Director. The conference agreement provides \$1.3 billion for the National Center for Research Resources (NCRR), with \$1 billion for "competitive awards for the construction and renovation of extramural research facilities" and \$300 million for "shared instrumentation and other capital equipment." The conference agreement also provides \$500 million for the Buildings and Facilities account to be used for construction and renovation of NIH intramural buildings.

\$1 billion for a Prevention and Wellness Fund, including \$300 million for immunizations, \$650 million for community prevention programs, and \$50 million for reducing healthcare associated infections. In addition, \$500 million was included for bolstering the health and public health workforce. The funding will save or create 20,000 public health jobs, including helping to restore some of the 11,000 public health workers that have already been laid off.

\$500 million to the Health Resources and Services Administration (HRSA) for health professions workforce development through scholarships, loan repayment, and grants to training programs for equipment. There is \$300 million of this funding for the National Health Service Corps. “The remaining \$200,000,000 is allocated for all the disciplines trained through the primary care medicine and dentistry program, the public health and preventive medicine program, the scholarship and loan repayment programs authorized in Title VII (Health Professions) and Title VIII (Nurse Training) of the PHS Act, and grants to training programs for equipment. Funds may also be used to foster cross-State licensing agreements for healthcare specialists.”

In addition, there is also **\$1.1 billion for comparative effectiveness research** of which \$400 million will be transferred to the Office of the Director at NIH and there is \$400 million that will be made available to be allocated under the discretion of the Secretary of Health and Human Services. The Secretary will also enter into a contract with the Institute of Medicine to “produce and submit a report to Congress and the Secretary by no later than June 30, 2009, that includes recommendations on the national priorities for comparative effectiveness research to be conducted or supported with the funds provided... and that includes input from stakeholders....”

\$87 billion allocated for an FMAP increase to protect the nation's more than 30 million poor and disabled children and adolescents enrolled in Medicaid, whose families are particularly vulnerable during times of economic distress.

\$19 billion in incentives for HIT adoption, which includes incentives through the Medicaid and CHIP programs, that would better enable pediatricians to purchase Health IT systems;

There are also additional funds provided for the Child Care Development Block Grant (\$2 billion), Head Start and Early Head Start (\$2.1 billion), Indian Health Services (\$415 million for Indian Health Facilities and \$85 million for health information technology activities) and funding for child nutrition programs and food stamps.

The stimulus package also includes a provision to expand current health information privacy protections. The legislation also extends until July 1, 2009, moratoria on implementation of three final Medicaid rules and enacts a moratorium on implementation of a fourth rule that has already gone into effect. Those rules are: Hospital Outpatient Services Rule (in effect on Dec. 8, 2008), Provider Tax Limits, School Based Administration and Transportation Rule and Targeted Case Management Services Rule.

The legislation also includes a non-binding "Sense of the Congress" that the Secretary of Health and Human Services (HHS) "should not promulgate as final" the Medicaid proposed rules regarding graduate medical education and cost limits/units of government (the "IGT rule").

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