Selected Health Funding in the American Recovery and Reinvestment Act of 2009

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Introduction

The American Recovery and Reinvestment Act (ARRA) of 2009 includes emergency appropriations for biomedical research, public health, and other health-related programs within the Department of Health and Human Services (HHS), as well as new authorizing language to promote health information technology (HIT) and establish a federal interagency advisory panel to coordinate comparative effectiveness research. The President signed the ARRA bill (H.R. 1) into law on February 17, 2009 (P.L. 111-5).

This report compares funding provided for selected HHS programs in the ARRA conference report (H.Rept. 111-16) with the recommendations in the House- and Senate-passed versions of H.R. 1. It also briefly discusses ARRA's provisions on HIT and comparative effectiveness research as they relate to the funding.

Selected HHS Appropriations

The ARRA conference agreement includes the following discretionary appropriations for HHS health-related programs and activities.

- **Community health centers.** The conference agreement provides $1.5 billion for the renovation and repair of health centers and the acquisition of HIT systems, and an additional $500 million for center grants to increase the number of uninsured individuals served.
- **Health workforce.** The conference agreement provides $500 million for training primary health care providers and helping pay medical school expenses for students who agree to practice in medically underserved communities through the National Health Service Corps program.
- **HHS buildings and facilities.** The conference agreement provides $500 million to repair and improve National Institutes of Health (NIH) facilities, and $415 million for the Indian Health Service (IHS) for construction and deferred maintenance projects and the purchase of equipment.
- **Biomedical research.** The conference agreement provides a total of $9.5 billion for biomedical research, including $8.2 billion for NIH research grants, $1 billion to construct and renovate university biomedical and behavioral research facilities, and $300 million for instrumentation.
- **Comparative effectiveness.** The conference agreement provides a total of $1.1 billion for research comparing the clinical outcomes, effectiveness, and appropriateness of items, services, and procedures used to prevent, diagnose and treat diseases and other health conditions. The Agency for Healthcare Research and Quality (AHRQ) receives $700 million, of which $400 million is to be transferred to NIH. An additional $400 million is to be allocated at the discretion of the HHS Secretary.
- **Health information technology.** The conference agreement provides $2 billion for HIT to support the electronic sharing of clinical data among hospitals,

physicians, and other health care stakeholders. An additional $85 million is provided for HIT activities and telehealth services at Indian health facilities.

- **Public health preparedness.** The conference agreement provides $50 million for HHS cyber-security.
- **Disease prevention.** The conference agreement provides $1 billion for prevention and wellness programs and activities.

Table 1 provides a more detailed comparison of the funding included in the ARRA conference agreement with the recommendations in the House- and Senate-passed bills for the above HHS programs and activities. Unless otherwise noted, all the funds will remain available through the end of FY2010 (i.e., through September 30, 2010). Each mention of the Secretary in the table refers to the HHS Secretary. The following acronyms appear in the table:

AHRQ	Agency for Healthcare Research and Quality
CDC	Centers for Disease Control and Prevention
HIT	Health Information Technology
HRSA	Health Resources and Services Administration
IHS	Indian Health Service
NIH	National Institutes of Health
NCRR	National Center for Research Resources (NIH)
NIST	National Institute of Standards and Technology
ONCHIT	Office of the National Coordinator for Health Information Technology
PHS	Public Health Service
PHSSEF	Public Health and Social Services Emergency Fund

The conference agreement also includes discretionary funding for human services programs administered by HHS. It provides $100 million to the Administration on Aging (AOA) for senior nutrition programs authorized under Title III of the Older Americans Act, and gives $5.15 billion to the Administration for Children and Families (ACF) for the Child Care and Development Block Grant, the Community Services Block Grant, and Head Start. For more information, see CRS Report RL33880, *Older Americans Act Funding*, and CRS Report R40211, *Human Services Provisions of the American Recovery and Reinvestment Act.*

Health Information Technology

The economic recovery legislation includes the Health Information Technology for Economic and Clinical Health (HITECH) Act, which contains three sets of provisions to promote the adoption of interoperable electronic health records (EHRs) and the development of a national health information network to permit the secure exchange of electronic health information among providers. First, the HITECH Act codifies the HHS Office of the National Coordinator for Health Information Technology (ONCHIT), which was created by Executive Order in 2004.

Second, through a number of mechanisms the Act provides financial incentives for HIT use among health care practitioners. It establishes several grant programs to provide funding for investing in HIT infrastructure, purchasing certified EHRs, training, and the dissemination of best practices. It also authorizes grants to states for low-interest loans to help providers finance HIT. Beginning in 2011, the HITECH Act authorizes Medicare incentive payments to encourage doctors and hospitals to adopt and use certified EHRs. Those incentive payments are phased out over time and replaced by financial penalties for physicians and hospitals that are not using certified EHRs. The legislation further authorizes a 100% federal match for payments to Medicaid providers to encourage the adoption and use of certified EHR technology.

Finally, the HITECH Act strengthens the federal health information privacy and security standards, established under the Health Information Portability and Accountability Act (HIPAA). For more information, see CRS Report R40161, *The Health Information Technology for Economic and Clinical Health (HITECH) Act.*

The ARRA conference agreement instructs the Secretary to use the $2 billion appropriation for HIT to implement the HITECH Act.

Comparative Effectiveness Research

In addition to appropriating funds for comparative effectiveness research, ARRA establishes an interagency advisory panel to help coordinate and support the research. The Federal Coordinating Council for Comparative Effectiveness Research, composed of up to 15 senior officials (including physicians and others with clinical expertise) from federal agencies with health-related programs, is required to report to the President and Congress annually. The conference agreement includes language stating that (1) the Council may not mandate coverage, reimbursement, or other policies for public and private payers of health care, and (2) Council reports and recommendations may not be construed as mandates or clinical guidelines for payment, coverage, or treatment.

Table 1. Selected Health Funding in the American Recovery and Reinvestment Act of 2009

($ millions)

Function + Agency/Office	House	Senate	Enacted	Explanation
Community Health Centers				
HRSA	1,500	1,870	2,000	The conference agreement provides $1.5 billion for the renovation and repair of health centers and the acquisition of HIT systems; the remaining $500 million is for center grants. The House bill provided $1 billion for center renovation and HIT acquisition, and $500 million for centers grants. The Senate bill provided $1.87 billion for construction, renovation and equipment for health centers.
Health Workforce				
HRSA	600	0	500	The conference agreement provides $500 million for PHS Act health workforce programs. Of this total, $300 million is for the National Health Service Corps ($75 million of which is to remain available through September 30, 2011), and $200 million is for education and training programs authorized in Title VII (Health Professions) and Title VIII (Nursing Training) of the PHS Act. Funds may also be used to develop interstate licensing agreements to promote telemedicine. The House bill provided $600 million for health workforce programs; the Senate bill included no such funding.
HHS Buildings and Facilities				
CDC	462	412	0	The House and Senate bills both provided funds to CDC for the acquisition of real property, equipment, construction, and renovation of facilities, including necessary repairs and improvements to leased laboratories. The House bill further included a requirement to relocate and consolidate property and facilities of the National Institute for Occupational Safety and Health (NIOSH). The conference agreement includes no funding for CDC buildings and facilities.
NIH	500	500	500	The conference agreement provides $500 million for high-priority repair, construction, and improvement projects for NIH facilities on the Bethesda, MD campus and other agency locations, as provided in the Senate bill. The House and Senate bills both provided the same amount, but the House bill allowed funding only for repair and improvement projects.
IHS	550	410	415	The conference agreement provides $415 million for Indian health facilities. Within this amount, $227 million is for health care facilities construction, $100 million is for facilities maintenance and improvement, $68 million is for sanitation facilities construction, and $20 million is for equipment (including HIT). The funds are not subject to the annual spending caps for medical equipment. The House provided $550 million for Indian health facilities construction projects, deferred maintenance, and the purchase of equipment and related services (including HIT), all to be allocated at the discretion of the IHS Director. The Senate provided $410 million for the Indian Health Facilities account.
HRSA	88	88	0	The House and Senate bills both provided funds to cover the costs related to moving into a facility and for the temporary relocation of staff, so as to maintain continuity of business operations during renovation or replacement of the headquarters for components of the Department of Health and Human Services. The conference agreement includes no such funding.

Function + Agency/Office	House	Senate	Enacted	Explanation
Biomedical/Behavioral Research Facilities (Extramural)				
NIH, NCRR	1,500	300	1,300	The conference agreement provides $1.3 billion to NCRR, of which $1 billion is for competitive grants and contracts under PHS Act Sec. 481A to construct, renovate, or repair existing non-federal research facilities. It waives various requirements for matching funds and support of regional centers for primate research, and shortens the time (from 20 years to 10 years) for required future use of the research facility. It also permits use of $300 million for shared instrumentation and other capital research equipment. The House bill provided $1.5 billion for awards to renovate or repair existing facilities, and permitted use of funds for shared instrumentation and other capital research equipment. The Senate version provided funds only for shared instrumentation and other capital research equipment.
Biomedical Research				
NIH	1,500	9,200	8,200	The conference agreement provides $8.2 billion to the Office of the Director for support of additional scientific research (extramural and intramural). The funds are not subject to small business set-aside requirements. Of the total, $7.4 billion is to be transferred to the Institutes and Centers of NIH and to the Common Fund in proportion to regular appropriations (certain accounts are not eligible for these funds). The remaining $800 million is available at the Director's discretion, with an emphasis on short-term (2-year) projects, including $400 million that may be used under the Director's flexible research authority. The House bill provided $1.5 billion, all for transfer proportionally to the Institutes, Centers, and Common Fund, with half for FY2009 and half for FY2010. The Senate version provided $9.2 billion, with $7.85 billion for proportional transfer and $1.35 billion for the Director's discretionary use.
Comparative Effectiveness				
AHRQ	700	700	700	The conference agreement provides $700 million to AHRQ for comparative effectiveness research, of which $400 million is to be transferred to NIH for the same purpose. Funds transferred to NIH may be allocated to the Institutes, Centers, and Common Fund. AHRQ may not use more than 1% of its funds for additional FTEs. The House and Senate bills both provided the same amount of funding.
Office of the Secretary	400	400	400	The conference agreement further provides $400 million for comparative effectiveness research to be allocated at the Secretary's discretion to: (1) conduct, support, or synthesize research that compares the clinical outcomes, effectiveness, and appropriateness of preventive, diagnostic, and therapeutic items, services, and procedures; and (2) encourage the development and use of clinical registries, clinical data networks, and other forms of electronic health data that can be used to generate or obtain outcomes data. It specifies using up to $1.5 million for an Institute of Medicine study, to be submitted to Congress no later than June 30, 2009. The study must include recommendations on the national priorities for comparative effectiveness research. The Secretary is also instructed to consider any recommendations submitted by the Federal Coordinating Council for Comparative Effectiveness Research. The House and Senate bills both provided the same amount of funding.

Function + Agency/Office	House	Senate	Enacted	Explanation
Health Information Technology				
Office of the Secretary, ONCHIT	2,000	3,000	2,000	The conference agreement provides $2 billion, to remain available until expended, to implement the HITECH Act and promote the widespread adoption of electronic health records, of which $300 million is to support regional health information exchange networks. It transfers $20 million to NIST for HIT standards analysis and testing. The House and Senate bills both provided HIT funding.
IHS	0	85	85	The conference agreement provides $85 million for HIT, including telehealth, to be allocated at the discretion of the IHS Director. The Senate provided the same amount for HIT (and, separately, added $50 million for contract health care services). The House did not include a specific amount for HIT; however, funding for Indian health facilities (described earlier in the table) may be used for the purchase of equipment, including HIT.
Public Health Preparedness				
Office of the Secretary, PHSSEF	430	0	0	The House bill provided funds for advanced research and development of countermeasures through the Biomedical Advanced Research and Development Authority (BARDA; PHS Act Sec. 319L). The conference agreement includes no such funding.
	420	0	0	The House bill provided funds for preparedness for an influenza pandemic, including procurement of countermeasures and equipment. Funds could be used for construction or renovation of privately owned facilities for the production of vaccine and other biologics. The conference report includes no such funding.
	50	0	50	The conference agreement provides funds to improve information technology security (i.e., cyber-security) at HHS. The House bill included similar funding.
Disease Prevention				
	3,000	0	1,000	The conference agreement provides $1 billion for a Prevention and Wellness Fund to be administered by the Secretary. Of the total, $300 million is to be transferred to CDC for the immunization program, $650 million is for evidence-based clinical and community-level prevention and wellness programs that address chronic disease, and the remaining $50 million is for state activities to reduce healthcare-associated infections. The House bill provided $3 billion for a Prevention and Wellness Fund.

Source: Table prepared by the Congressional Research Service using (i) the text of H.R. 1, as passed by the House on January 28, 2009, (ii) the text of Senate Amendment 570 to H.R. 1, as passed by the Senate on February 10, 2009, and (iii) the text of the H.R. 1 conference report (H.Rept. 111-16).

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