



## Article

# The Economic Stimulus Package - Waiting on the Promise

*The federal government has allocated more than \$787 billion in economic stimulus funds, but most of it has yet to hit the streets. Area healthcare businesses and institutions are still waiting for the impact of the economic recovery package to take hold.*

When President Barack Obama signed into law the American Recovery and Reinvestment Act of 2009 (ARRA), there was a flurry of excitement around the \$19 billion that would be spent on healthcare IT. The Health Information Technology for Economic and Clinical Health (HITECH) Act is a key component of the federal stimulus measure and is expected to create tens of thousands of jobs in information technology. Local politicians, business leaders and healthcare institutions have been watching this legislation closely to see how and when they can take advantage of the federal funding. Like other states across the country, Massachusetts leaders want to position themselves to grow jobs and revitalize the local Health Information Technology industry. So far it has been largely a waiting game.

In the few short months since the ARRA legislation passed, several important steps have been taken to lay the groundwork for Health Information Technology (HIT) implementation: Kathleen Sebelius was selected to head the Department of Health and Human Services; Dr. David Blumenthal of Massachusetts General Hospital was named National Coordinator for Health Information Technology; and the Health IT Standards and Health IT Policy Committees were established. Surely there has been plenty of behind-the-scenes attention focused on healthcare IT at the national level, but little communication from Washington about how the \$19 billion that is allocated for the development of a nationwide health information technology network will trickle down to Massachusetts companies and institutions. We do know that some monies will go directly to the states to be distributed while other funds will be allocated through a competitive grant process.

Last month, Dr. Blumenthal's office released the Health Information Technology American Recovery and Reinvestment Act (ARRA) Implementation Plan, which outlines immediate actions to meet statutory requirements under the HITECH provisions of the ARRA. The plan includes numerous deadlines for technology implementation. You can see a summary of the timeline for the HIT portions of the ARRA at Dr. John Halamka's blog, Life as a Healthcare CIO. Dr. Halamka holds many titles, including CIO of Harvard Medical School and Chair of the US Healthcare Information Technology Standards Panel (HITSP). His timeline is useful for scoping out the major milestones that lie ahead.



Given the sheer size and complexity of the stimulus package, it is understandable that there are lots of questions about what will be funded and when. Aggressive implementation timelines, lack of clarity around technology standards and a complex grant-based system for obtaining federal funding may have slowed local fervor for HIT and Electronic Health Records (EHR) adoption. But this outlook is only temporary. Many local institutions recognize that the federal funding spigot will open in the months ahead and they continue to explore their options as details are released from the federal government.

Massachusetts healthcare institutions are already at the forefront of technological advances that will drive the next phase of HIT implementation, and the stimulus plan should expand the market for technology products and services for which Massachusetts companies are well known. Just last week President Obama announced that he will be initiating an intense push for healthcare legislation, with the goal of having a comprehensive healthcare bill on his desk by November of this year. Given all of these variables, it remains to be seen how quickly we will emerge from our current holding pattern. There is no question that ARRA presents both opportunities and challenges, and Gardner Resources Consulting will continue to track developments as new federal funds become available.