

# THE WHITE HOUSE

Washington

February 17, 2009

## **American Recovery and Reinvestment Act: Providing Health Care to Those in Need While Making a Down Payment on Health Reforms that Will Save Billions of Dollars and Countless Lives**

As millions of people have lost their jobs, millions have lost their health insurance. Those that remain covered are paying more for less. And unrelenting health care costs are burdening business, state governments, and our economy. The American Reinvestment and Recovery Act will prevent health coverage loss and stabilize the system. It will make key investments now that will lower health spending in the long run. It is part of the Presidents' commitment to make health care affordable for all Americans.

- **Accelerating Adoption of Health IT Systems to Modernize the Health Care System, Save Billions of Dollars, Reduce Medical Errors and Improve Quality.** The American Reinvestment and Recovery Act will modernize the health care system by catalyzing the adoption of health information technology by 2014. The Congressional Budget Office estimates that the bill reduces health costs for the federal government by over \$12 billion over 10 years.
- **Protecting Health Care Coverage for Millions of Americans During This Recession.** The legislation provides \$87 billion in the form of a temporary increase in the Federal Medical Assistance Percentage so that no state has to cut eligibility for Medicaid and SCHIP because of budget shortfalls. This investment will protect roughly 20 million people whose eligibility might otherwise be at risk. It will also generate considerable state economic activity, jobs and wages.
- **Providing Health Care Coverage for 7 Million Americans.** The bill will provide Americans who lose their jobs a new 65% tax credit to keep their health insurance through COBRA. This provision will help provide coverage for 7 million Americans.
- **Investing in Evidence-Based Prevention for Americans.** The bill will provide \$1 billion for proven clinical preventive services and community-based prevention programs. Because more than half of Americans—156 million—go without the flu vaccine every year, this plan makes a significant investment in immunizations to remove the cost barrier. Further, given that 1 in 3 adults have a chronic disease, this plan tackles obesity, smoking and other health risks by expanding prevention programs that operate in communities across the nation.
- **Strengthening the Health Workforce.** The President believes that a strong health workforce, including doctors, nurses, community health workers and public health practitioners, are the lynchpin to an effective health care system. The bill provides \$500 million to support programs like the National Health Services Corps which place providers in underserved communities. Further, it will fund existing workforce programs (Title VII and VIII) which are critical for the education and training of the next generation of doctors and nurses.

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- **National Institutes of Health.** The bill invests \$10 billion in the National Institutes of Health. This funding will end the backlog of valid research projects that have been on hold due to inadequate budgets. According to Research America, this investment could create 70,000 jobs and stimulate the economy of every state because 90 percent of NIH funding is distributed to colleges, universities and research institutions across the country.
- **Comparative Effectiveness Research.** The bill invests \$1.1 billion in comparative effectiveness research. This provides patients and providers with better information on the relative merits of different treatment options.
- **Community Health Centers.** The bill invests \$2 billion in community health centers to support renovations and repairs, investments in health information technology, and critically needed health care services.
- **Indian Health Service.** The bill provides \$500 million to modernize health clinics and hospitals, support investment in health information technology, and allow for contract health services for Native Americans and Alaskan Natives.
- **Health and Human Services IT Security.** The bill provides \$50 million to the Department of Health and Human Services for information technology security.