



## **Overview of President's HIT FY2011 Budget Request**

“We are working to improve the quality of and access to health care for all Americans by supporting programs intended to enhance the health care workforce and the quality of health care information and treatments through the advancement of health information technology (IT) and the modernization of the health care system.”

-HHS Secretary Kathleen Sebelius, February 2010

### **Background**

The Obama Administration released the [President's Budget Request](#) for federal fiscal year 2011 (October 1, 2010-September 30, 2011) on Monday, February 1, 2010. The budget includes a [spending freeze](#) of \$23 billion across the federal government. In our first review, we do not anticipate any impact on health IT activities.

The programmatic initiatives in the President's Budget Request for the [Department of Health and Human Services](#) include \$911 billion in outlays, which is an increase of \$51 billion over fiscal year 2010.

The following is an overview of Health IT Related Activities for HHS. The document will evolve as we review information from other agencies.

### **Health IT Highlights in FY2011 Presidential Budget Request**

#### **The Office of the National Coordinator for Health IT Budget:**

- The Office of the National Coordinator was codified in the American Recovery and Reinvestment Act (ARRA). As part of the ARRA requirements, ONC is focused on five health care goals associated with the meaningful use of certified electronic health record products, to include
  - Improving the quality, safety, and efficiency of care while reducing disparities
  - Engaging patients and families in their care
  - Promoting public and population health
  - Improving care coordination
  - Promoting privacy and security of EHRs
- ONC to serve as the Federal health IT leader and coordinator and to continue implementing Recovery Act programs
  - [ONC Online Performance Appendix](#)
  - [ONC Congressional Justification Document](#)
- The President's Budget Request calls for funding ONC at \$78 million in fiscal year 2011, which is a \$17 million increase over its fiscal year 2010 budget.

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- The \$2 billion in funding from the American Recovery and Reinvestment Act is fiscal year 2009 funds. The ARRA funds are available to ONC until they are obligated and spent.
- To address the five care goals, ONC intends to use the \$78 million to address five key categories, including the following:
  - Interoperability - \$23 million
    - to support the development of health data standards necessary to enable the interoperability of EHRs
    - to ensure that standards are available for both private sector and Federal government use.
    - to support the ongoing standards harmonization process
    - includes support for expanding health information exchange network capabilities
    - will also continue supporting Recovery Act activities that will further develop the nationwide health information network (NHIN) and support expanding health information exchange capabilities
    - \$4 million will be used to promote the adoption of health IT through working with mental health and substance abuse providers, to integrate substance abuse and mental health prevention and treatment into the larger primary care delivery system health IT framework, and with Medicaid and other safety net services
  - Privacy - \$7 million
    - support the continued development of appropriate Federal privacy and security protections for electronic health information, and State consensus efforts to address patient protections
    - ONC will also work with other Federal agencies to protect and secure the transmission of health information over computer networks through a health IT cybersecurity program
  - Adoption - \$4 million
    - to identify consumer perspectives on consumer e-health tools and the development of patient decision aids
    - anticipate and mitigate unintended consequences of the electronic exchange of health information
    - support State governments as they implement their HITECH grants
  - Research, Evaluations, and Operations - \$7 million
    - conduct economic analysis and develop models describing the factors driving the adoption, meaningful use, and interoperability of EHRs
    - evaluate and measure the success of programs funded under the Recovery Act and other ONC efforts to further the adoption and meaningful use of health IT
  - Staffing - \$38 million

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- to increase Federal staff and reduce contractor support
  - to continue efficiently implementing Recovery Act programs
  - to continue a communications and outreach program begun in calendar year 2009

### Centers for Medicare and Medicaid Services (CMS)

- The President's Budget Request calls for [funding CMS](#) at \$3.6 billion
  - [CMS Performance Appendix](#)
  - [CMS Budget Justification](#)
- The budget request includes \$110 million for health IT funding for fiscal year 2011 for a new initiative, the Health Care Data Improvement Initiative (HCDII)
- The HCDII is for two-year funds, to allow for responsible management of the program. It is intended to transform the CMS data environment from claims-based to data analysis and information sharing.
- First year funding request will fund the HCDII in the following areas and funding levels:
  - Data Improvement Initiative: \$45.0 million
  - Medicare Transformation Initiative: \$15.5 million
  - Encounter Data for Medicare Advantage Plan Analysis: \$6.0 million
  - Modernize IT infrastructure: \$33.5 million
  - Systems Security: \$5.0 million
  - Systems Sustainability for Medicare Parts A, B, C and D: \$5.0 million
- Fraud and Abuse detection and response is also an area of focus in the President's Budget Request for HHS. The overall program is funded at \$1.7 billion, with CMS receiving \$561 million to strengthen Medicare and Medicaid program integrity initiatives.

### Agency for Healthcare Research and Quality (AHRQ)

- The President's Budget Request calls for funding health IT funding for AHRQ at \$32 million for fiscal year 2011, which is a \$4 million increase over fiscal year 2010.
  - [AHRQ Online Budget Appendix](#)
  - [AHRQ Budget Justification](#)
- Budget will fund 44 research and training grants to improve the quality and safety of care by demonstrating best approaches to broader diffusion, implementation, and effective use of health IT, and contracts to support the National Resource Center for Health IT, as well as projects to develop and disseminate evidence and evidence-based tools on the use of health IT.
- In addition, AHRQ will receive \$286 million for patient centric research
  - \$286 million is a \$261 million increase over the FY10 budget for patient centric research
  - Funding will support:



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- identifying new and emerging issues
- synthesizing current, existing evidence
- identifying evidence gap areas
- generating new evidence
- translating and disseminating knowledge generated
- training and career development
- comprehensively engaging stakeholders

**HHS Office of Civil Rights**

- The President's Budget Request provides \$1.6 million to the Office of Civil Rights (OCR) for 10 regional privacy advisors, which will coordinate with OCR in Washington, DC, and the Chief Privacy Officer for the Office of the National Coordinator.

**HHS Office of the Assistant Secretary for Planning and Evaluation**

- \$1 million to the Office of the Assistant Secretary for Planning and Evaluation (ASPE), for independent evaluations of EHR adoption and economic factors influencing health IT, in coordination with ONC.

For questions, please contact [Tom Leary](#), HIMSS Sr. Director of Federal Affairs.