



Position Statement

S. 1408: Health Information Technology Act of 2007

Call to Action

S. 1408 was introduced by Senator Debbie Ann Stabenow (D-MI) on May 16, 2007 in order to provide incentives for the implementation of healthcare information technology as a method of improving healthcare quality. The bill was read twice and referred to the Committee on Finance.

Section 2

The Secretary of Health and Human Services (HHS) will establish a program that awards grants to eligible entities that meet the requirements later stipulated in order to help these entities offset costs (incurred after December 31, 2006 and before September 30, 2012) related to the adoption of health information systems and services that improve the quality of healthcare. The costs that the grant may cover are defined in this section to include the development, implementation, and maintenance of healthcare information technology software and hardware. The term “eligible entity,” the application process to receive the grant, the amount of the grant, and limitations on the amount of the grant are also described in detail. Priority is given to entities that are exempt from tax under section 501(a) of the Internal Revenue Code of 1986 and to entities in which all or most of the patients are eligible for Medicare or Medicaid. At least 20% of the funds must assist entities located in healthcare professional shortage areas or rural areas. The Secretary of HHS shall conduct studies and submit reports to Congress regarding the progress of the program and its impact on healthcare. Appropriations for the funding of grants are also made in this section.

Section 3 requires the Secretary of HHS to create a methodology for making adjustments in payment, under title XVIII of the Social Security Act, made to providers of services and suppliers who supply items or services for which reimbursements are covered under this title in addition to those who use health information technology in the process. The first adjustments should be made for items and services that diagnose or treat diseases and conditions that cause high expenditures under the Medicare program.

According to **Section 4**, the Secretary of HHS shall provide for the development and adoption of health information technology standards that promote interoperability no later than two years after the enactment of this Act. The section also requires the Secretary of HHS to establish a system to accept optional submissions of data derived from healthcare reporting requirements implemented after the enactment of this Act.

Section 5 amends Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1986 by adding a section relating to healthcare informatics system expenditures. An eligible entity may choose to treat qualified healthcare informatics system expenditure paid or incurred by taxpayers as an expense that does not exceed the dollar amount specified in section 2 of this Act not chargeable to the capital account, and thus it will be allowed as a deduction. The expenditures will be taken into consideration only if they began with the taxpayers and the health informatics systems were placed in service between December 31, 2006 and October 1, 2012; this does not include any type of grant.

Section 6 states that no part of this Act shall be interpreted as affecting the Health Insurance Portability and Accountability Act of 1996 or the provisions of part C of title XI of the Social Security Act.

Closing Remarks

HIMSS position is to support this legislation and its attempt to promote the adoption of health informatics systems that will help improve the quality, efficiency, and cost of health care. Questions on this fact sheet should be addressed to Dave Roberts, FHIMSS, HIMSS Vice President for Government Relations, at 703.837.9811 or via email at droberts@himss.org.