

On February 17, 2009, President Barack Obama signed the American Recovery and Reinvestment Act (the economic stimulus package) into law (P.L. 111-5). In recent weeks, new information has become available on how the \$787 billion will be spent, which may present opportunities for your school of nursing, nurse researchers, and students.

Many details regarding the package remain unknown, as Congress has granted discretion to the individual federal agencies to determine how the allocated funds will be spent. There will, however, be new procedures, reporting mechanisms, and data collection required of each agency in order to promote transparency and accountability in the use of these funds. As much as 75 percent of the funding is expected to be spent in the next 18 months.

AACN recommends that members review the following information to identify potential funding opportunities by:

- 1. Determining the funding mechanisms:** Is action required by your institution/student or will funding be based on existing grant applications?
- 2. Monitoring federal agency websites:** Grant notices and other funding opportunities related to the stimulus can be monitored through these websites:
 - * **HHS:** www.hhs.gov/recovery
 - * **NIH:** www.nih.gov/recovery/index.htm
 - * **NINR:** www.ninr.nih.gov/AboutNINR/NINRDirectorsPage/ARRA+Message.htm
 - * **NINR Challenge Grant:** http://grants.nih.gov/grants/funding/challenge_award
 - * **Consolidated Grant Information:** www.grants.gov
 - * **Recovery Overview:** www.recovery.gov
- 3. Communicating your need for information about funding opportunities to elected officials:**
Local, state, and federal officials can be helpful in gathering information such as the schedules for notices.

Healthcare Workforce Investments

The American Recovery and Reinvestment Act provides the following funding opportunities:

1. Health Professions

- * \$200 million to address shortages of healthcare providers by training primary care nurses, physicians, and dentists under Titles VII and VIII of the Public Health Service Act. The statement from Congress accompanying the legislation specifically identifies Title VIII Nursing Workforce Development loan repayment and scholarship programs as recipients of the stimulus funding.
- * \$300 million for the National Health Service Corps. Of this amount, \$75 million will be available through September 30, 2011, for extending contracts and recapturing funds when participants fail to meet service obligations.

2. Workforce Investment Act

- * \$3.95 billion for “training and employment services” under the Workforce Investment Act, including \$2.9 billion in formula grants and \$250 million in competitive grants for worker training and placement to prepare individuals for careers in the healthcare sector.

3. Trade Adjustment Assistance Program

- * \$718 million through 2010 for the Trade Adjustment Assistance Program to retrain displaced workers at institutes of higher education and other training facilities and another \$90 million through 2010 to fund two-year education programs.

Nursing and Health Research

1. National Institutes of Health (NIH)

The economic stimulus package provides \$10.4 billion for the National Institutes of Health (NIH) as follows:

- * \$7.4 billion will be transferred to individual Institutes and Centers and the Common Fund.
- * \$800 million for trans-NIH initiatives in the Office of the Director.
- * \$1 billion will support extramural construction, repairs, and alterations and is allocated to the National Center for Research Resources in support of all NIH-funded research institutions.
- * \$300 million for shared instrumentation and other capital equipment, which is also allocated to NCRR to support all NIH activities.
- * \$500 million for NIH buildings and facilities to fund high-priority repair, construction, and improvement projects on NIH campuses that also align with the overall purpose of the new law.
- * \$400 million for Comparative Effectiveness Research transferred from the Agency for Healthcare Research and Quality.

2. National Institute of Nursing Research (NINR)

Although full details are not yet available, NINR will seek to:

- * Support recently peer reviewed, highly meritorious R01 applications (and other similar mechanisms) capable of making significant advances with a two-year grant.
- * Support new R01 applications (and other similar mechanisms) received in response to forthcoming RFAs that have a reasonable expectation of making progress in a two-year grant.
- * Accelerate the tempo of ongoing science through targeted supplements to current grants.

Additionally, NINR reports that at least \$200 million has been designated by NIH for a new initiative called the **NIH Challenge Grants in Health and Science Research** (RFA-OD-09-003). This new program will support research on topic areas which address specific scientific and health research challenges in biomedical and behavioral research that will benefit from significant 2-year jumpstart funds. Challenge Areas, defined by the NIH, focus on specific knowledge gaps, scientific opportunities, new technologies, data generation, or research methods that would benefit from an influx of funds to quickly advance the area in significant ways. The research in these Challenge Areas should have a high impact in biomedical or behavioral science and/or public health. NIH Institutes and Centers have selected specific Challenge Topics within each of the Challenge Areas. NINR has contributed five Challenge Topics to the initiative which are highly relevant to the NINR research mission:

- * Genetic and Epigenetic Predictors of Symptom Severity
- * Improving Quality of Life of Patients and Family Following a War-related Traumatic Injury
- * Integrating Cost-effectiveness Analysis into Clinical Research
- * Methods to Enhance Palliative Care and End-of-Life Research
- * NIH Partners in Research Program: Pathways for Translational Research

3. Agency for Healthcare Research and Quality (AHRQ)

The new law provides \$1.1 billion for comparative effectiveness research. Of this:

- * \$300 million administered by AHRQ
- * \$400 million transferred to NIH (see above)
- * \$400 million allocated at the discretion of the HHS Secretary

4. National Science Foundation (NSF)

The new law provides \$3 billion in grants to NSF for:

- * \$2 billion for research-related activities
- * \$900 million for infrastructure, of which \$400 million is to support construction of major research facilities and equipment that assist in performance of “cutting edge” research
- * \$100 million for education and human resources (\$100 million)

Higher Education

1. Pell Grants

The economic stimulus package provides \$17.1 billion over the next two years to close the shortfall in the Pell grant program. This represents an increase in funding of 10 percent and is estimated to bring the total number of Pell grant recipients to seven million by 2010. The maximum Pell award increases to \$5,350 in 2009 and \$5,550 in 2010. These amounts will automatically be disbursed by the Department of Education according to the disbursement schedules already on its website: <http://ifap.ed.gov/dpclletters/P0901.html>.

2. Federal Work-Study Program

The American Recovery and Reinvestment Act adds \$200 million to the federally funded, needs-based Federal Work-Study Program over the next two years. The program provides undergraduate and graduate students of low to moderate incomes with part-time employment. The new funding will be distributed through a formula and does not require action on the part of institutions. This program is projected to be funded at \$980 million in FY 2009, and the new funding represents a 20 percent increase.

3. American Opportunity Tax Credit

The law provides \$14 billion for a new, more generous tax credit that temporarily replaces the “Hope Scholarship Credit” for tax years 2009 and 2010. The Hope Credit was \$1,800, and the new American Opportunity Credit is \$2,500. Unlike the Hope credit, this new credit is 40 percent refundable. It covers 100 percent of qualified tuition, fees, and course materials paid by the taxpayer during the taxable year, not to exceed \$2,000 the first year, plus 25 percent of the next \$2,000. It extends eligibility to higher income brackets up to an adjusted gross income of \$80,000 for individuals and \$160,000 for married couples.

4. Other Higher Education Items

The new law expands the definition of qualified educational expenses under Section 529 education savings plans to include computer technology and equipment (cost of \$6 million), adds \$100 million to the higher education account, and provides \$60 million to help the Department of Education administer student aid programs. The bill includes \$2.5 billion for broadband and wireless service grants that could be used for distance learning.

State Assistance

The American Recovery and Reinvestment Act includes approximately \$140.6 billion to states for education and health care. It establishes a State Fiscal Stabilization Fund that provides \$53.6 billion to help states avoid budget cuts to primary, secondary, and postsecondary education programs and to perform modernization and renovation of educational facilities. Another \$87 billion is provided to states through an enhanced federal match for the Medicaid program (FMAP) to stave off cuts in healthcare services.

1. State Fiscal Stabilization Fund

The fund provides two block grants to states:

- * \$39.3 billion earmarked for K-12 and higher education through fiscal year 2011; and
- * \$8.7 billion to fund other critical state services which may include assistance for institutions of higher education (public or private) for modernization, renovation, or repair of facilities.

There is \$5 billion for state incentive grants and other purposes. Federal funds for the block grants will be distributed by a formula based upon population and age. Institutions of higher education that receive funding under this program must use the funds for:

- * Education and general expenditures in such a manner as to mitigate the need to raise tuition and fees for in-state students, or
- * Modernization, renovation, or repair of facilities that are primarily used for instruction, research, or student housing.

2. Federal Matching Rate Increase for Medicaid (FMAP)

The stimulus package provides a temporary increase in the federal matching rate to states for their Medicaid expenditures. The increase is retroactive, starting October 2008 and continuing through December 2010. All states will receive a 6.2 percent increase in their federal matching rate. States with increases in unemployment will get additional payments. Funding is contingent upon states maintaining current levels of eligibility.

Health Information Technology (HIT)

The economic stimulus package contains approximately \$19 billion for health information technology (HIT) programs. Of this amount, \$2 billion is provided to the Office of the National Coordinator for Health Information Technology (ONCHIT) within the Department of Health and Human Services (HHS) to establish HIT standards and to provide grants for the purchase, installation, implementation, and maintenance of HIT. The remaining \$17 billion is for bonus payments to be made through Medicaid and Medicare to healthcare providers who demonstrate that they are meaningful users of electronic health records (EHR).

1. Grants

The new law provides \$2 billion through grants and loans to healthcare providers to incentivize the use of health information technology. There are six grant programs:

- * **Demonstration program to integrate IT into clinical education**
Demonstration grants will be awarded for the development of academic curricula integrating certified electronic health records technology into the clinical education of health professionals. Grantees must aim to demonstrate a reduction in medical errors, an increase in access to prevention activities, a reduction in chronic diseases, and enhancement in the quality of health care.
- * **IT professionals in health care**
These grants to institutions of higher education are for establishment or expansion of medical health informatics education programs, including certification of undergraduate and master's degree programs for both healthcare and IT students.
- * **Immediate funding to strengthen the HIT infrastructure**
These grants are to invest in the necessary infrastructure that allows for and promotes the electronic exchange and use of health information consistent with the strategic plan developed by the National Coordinator for Health Information Technology. The grants are to be provided through various agencies within HHS, e.g., HRSA, AHRQ, CMS, and CDC.
- * **HIT implementation assistance**
The National Director will develop a HIT extension program to provide assistance to healthcare providers in adopting, implementing, and using EHR technology, including the establishment of a HIT Research Center and several HIT Regional Extension Centers.
- * **State grants to promote HIT**
Competitive grants will be awarded to nonprofit institutions to create and support regional centers that will provide technical assistance and disseminate best practices. Grants are limited to 50 percent of the capital, operating, and maintenance funds for regional centers for up to four years.
- * **State grants for EHR technology loans**
Competitive grants will be available to states for loan programs that facilitate widespread adoption of certified electronic health records technology. States must establish a Loan Fund that provides loans to healthcare providers to:

- Purchase EHR technology,
- Enhance the utilization of such technology,
- Train personnel in the use of the technology, and/or
- Improve the secure electronic exchange of health information.

2. Bonus Payments to Medicaid Providers

States will make bonus payments totaling \$17.2 billion through the Medicaid (and Medicare) program to providers who adopt and become meaningful users of EHR technology. These payments are available to certain eligible professionals and hospitals. Eligible professionals who become meaningful EHR users may receive payments for up to six (6) years:

- * A one-year bonus payment equal to 85 percent of the “net average allowable cost” for the purchase and initial implementation of EHR technology (up to \$25,000); and
- * Up to five (5) additional years of payments equal to 85 percent of the “net average allowable cost” for the operation, maintenance, and use of certified EHR technology (up to \$10,000).

Consequently, an eligible professional may not receive more than \$21,250 for the purchase and implementation and \$8,500 for the operation, maintenance and use of EHR technology. In total, an eligible professional may not receive more than \$63,750 over six years from the Medicaid bonus payment program. No eligible professional may receive a first year of Medicaid bonus payments after 2016.

Contact Information: *Office of the National Coordinator for Health Information Technology*
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