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The Honorable Charles B. Rangel, Chairman

Modernizing and Improving the Quality of Health Care

Lower costs of health care by accelerating adoption of health IT systems to modernize the health care system, reduce medical errors and improve quality of care. The *Health Information Technology for Economic and Clinical Health Act (HITECH Act)*, was enacted as part of the American Recovery and Reinvestment Act of 2009, and takes groundbreaking steps to advance the development, adoption and meaningful use of health information technology. Under the HITECH Act, the federal government is taking a leadership role to promptly develop standards for health information technology that will allow for the nationwide electronic exchange and use of health information in order to improve the quality and coordination of patients' care, within a framework of enhanced security and privacy. The Act provides financial incentives under Medicare and Medicaid, including \$19 billion over ten years, to encourage physicians and hospitals in order to modernize the health care system, save billions of dollars, reduce medical errors and improve quality. The nonpartisan Congressional Budget Office (CBO) estimates that, as a result of this legislation, approximately 90 percent of doctors and 70 percent of hospitals will be using electronic health records within the next 10 years. CBO further estimates that this proposal will reduce the health care costs of the federal government by over \$12 billion over 10 years and it will generate additional savings throughout the health sector through improvements in quality of care, care coordination, and reductions in medical errors and duplicative care.

Promotes high quality care by investing in Comparative Effectiveness Research. The American Recovery and Reinvestment Act of 2009 (AARA) contained a significant investment of \$1.1 billion for comparative effectiveness research (CER) to promote high quality care through the broad availability of information that helps clinicians and patients match the best available science to individual needs and preferences. The Act allocated \$300 million to the Agency for Healthcare Research and Quality (AHRQ), \$400 million to the National Institutes of Health (NIH), and \$400 million to the Office of the Secretary (OS) of the Department of Health and Human Services (HHS). One of the goals of AARA was to make investments in projects that could create jobs in the near term while laying the foundation for a better American health system in the future. These funds are set to be obligated by the end of fiscal year 2010 and will be spent not only on scientific research but will also be used to support the creation of new data networks and for the training of new researchers to conduct CER, thereby building an infrastructure that will create jobs and support public and private CER endeavors for years to come. This CER investment has generated a significant amount of public interest. Accordingly, in implementing the statute, HHS conducted extensive outreach to patients, clinicians and other stakeholders. Plans for spending AARA CER funds were heavily informed by these activities as well as the mandated report on priority topics that was produced by the Institute of Medicine (IOM) of the National Academies of Science in June 2009.

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