Title IV - Health Information Technology for Economic and Clinical Health Act

Health Information Technology for Economic and Clinical Health Act or HITECH Act

Health information technology helps save lives and lower costs. This bill accomplishes four major goals that advance the use of health information technology (Health IT), such as electronic health records by:

- Requiring the government to take a leadership role to develop standards by 2010 that allow for the nationwide electronic exchange and use of health information to improve quality and coordination of care.
- Investing $20 billion in health information technology infrastructure and Medicare and Medicaid incentives to encourage doctors and hospitals to use HIT to electronically exchange patients' health information.
- Saving the government $10 billion, and generating additional savings throughout the health sector, through improvements in quality of care and care coordination, and reductions in medical errors and duplicative care.
- Strengthening Federal privacy and security law to protect identifiable health information from misuse as the health care sector increases use of Health IT.

As a result of this legislation, the Congressional Budget Office estimates that approximately 90 percent of doctors and 70 percent of hospitals will be using comprehensive electronic health records within the next decade.

Federal Leadership for the Nationwide Exchange of Health Information

The legislation codifies the Office of the National Coordinator for Health Information Technology (ONCHIT) within the Department of Health and Human Services. This office is responsible for creating a nationwide health information technology infrastructure aimed at improving health care quality and care coordination.

The legislation establishes a transparent and open process for the development of standards that will allow for the nationwide electronic exchange of information between doctors, hospitals, patients, health plans, the government and others by the end of 2009. It establishes a voluntary certification process for health information technology products. The National Institute of Standards and Technology will provide for the testing of such products to determine if they meet the national standards that allow for the secure electronic exchange and use of health information.

After standards are adopted in 2009, the National Coordinator shall make available at a nominal fee an electronic health record, unless the Secretary determines that the needs and demands of providers are being substantially and adequately met by the marketplace. Nothing in the legislation requires that entities adopt or use the technology made available through this provision.

Funding for Infrastructure and Adoption of Health Information Technology

This legislation provides immediate funding for health information technology infrastructure, training, dissemination of best practices, telemedicine, inclusion of health information technology in clinical education, and State grants to promote health information technology.

In addition, the legislation provides significant financial incentives through the Medicare and Medicaid programs to encourage doctors and hospitals to adopt and use certified electronic health records. Physicians will be eligible for $40,000 to $65,000 for showing that they are meaningfully using health information technology, such as through the reporting of quality measures. Hospitals will be eligible for several million dollars in the Medicaid and Medicare programs to similarly use health information technology. Federally qualified health centers, rural health clinics, children's hospitals and others will be eligible for funding through the Medicaid program.

Incentive payments for both physicians and hospitals continue for several years, but are phased out over time. Eventually, Medicare payments are reduced for physicians and hospitals that do not use a certified electronic health records that allow them to electronically communicate with others.

The legislation also provides additional funds to States for low-interest loans to help providers finance health information technology and grants to regional health information exchanges to unite local providers. Grants are also offered for the development and adoption of electronic health records for providers other than physicians and hospitals.

Privacy and Security of Personal Health Information

This health information technology legislation improves and expands current Federal privacy and security protections for health information. As health care providers move to exchanging large amounts of health information electronically, it is important to ensure that such information remains private and secure. The bill accomplishes this by:

Establishing a Federal breach notification requirement for health information that is not encrypted or otherwise made indecipherable. It requires that an individual be notified if there is an unauthorized disclosure or use of their health information.

Ensuring that new entities that were not contemplated when the Federal privacy rules were written, as well as those entities that do work on behalf of providers and insurers, are subject to the same privacy and security rules as providers and health insurers.

Providing transparency to patients by allowing them to request an audit trail showing all disclosures of their health information made through an electronic record.

Shutting down the secondary market that has emerged around the sale and mining of patient health information by prohibiting the sale of an individual's health information without their authorization.

Requiring that providers attain authorization from a patient in order to use their health information for marketing and fundraising activities.

Strengthening enforcement of Federal privacy and security laws by increasing penalties for violations and providing greater resources for enforcement and oversight activities.