



Selected Provisions Relevant to Rural Healthcare in the American Recovery and Reinvestment Act of 2009

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Provision	Distribution Method	Funding	How to Access Funding	State Budget Impacts or Issues Noted by the CA Legislative Analyst's Office
AGRICULTURE				
Rural Broadband Infrastructure Deployment	The Rural Utilities Service shall make competitive grants and loans through its distance learning, telemedicine and broadband programs.	\$2.5 billion	Grants to be administered by the Department of Agriculture Rural Utilities Service (RUS), through its distance learning and telemedicine and broadband programs. Visit the USDA Rural Development page at: http://www.usda.gov/rus/telecom/dlt/dlt.htm	These funds are expected to flow directly to rural telecommunications carriers.
Rural Communities Facilities Program	The Secretary shall provide financing to local governments, nonprofit corporations and Indian Tribes; funds can be used for healthcare facilities, emergency services, libraries and other community needs.	\$130 million	Unknown.	The LAO Report does not mention this item.
DEPARTMENT OF COMMERCE				

Wireless and Broadband Access	Competitive grants to increase deployment to unserved and underserved areas.	\$4.4 billion	Application details will be announced by the National Telecommunications and Information Administration. Visit the Department of Commerce National Telecommunications and Information Administration webpage at: www.ntia.doc.gov/otiahome/top/index.html .	20 % required state match can be waived, but priority is expected to be given to states with matching capability. CA recently enacted Chapter 393, Statutes of 2008 (Padilla) that created ratepayer-supported CA Advanced Services Fund under the CA Public Utilities Commission (CPUC) to promote broadband, and this could be a source of state matching funds. The LAO recommends state legislation be passed to designate the CPUC as the state entity authorized to access these federal funds.
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HEALTH AND HUMAN SERVICES

Temporary Increase in FMAP Funding	Increase in the Federal Medicaid Assistance Percentage (FMAP) paid to states for Medicaid benefits, Title IV-E foster care and adoption assistance and Medicaid Disproportionate Share Hospital (DSH) payments.	\$87 billion total over nine quarters	Visit the Center on Budget and Policy Priorities' Web page on this issue: http://www.cbpp.org/2-13-09sfp.htm	<p>*CA will receive an estimated \$10.1 billion through December 2010 in FMAP. \$8.3 billion will be distributed to state departments, \$916 million to local governments and \$833 million to public hospitals.</p> <p>*CA is required to rescind mid-year eligibility status report requirements for EPSDT to qualify for the funds. SB 26 3X and SB 337 (Alquist) have been introduced to conform to federal requirements.</p>
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<p>Workforce Investment Act Training and Employment Services</p>				<p>*States must meet federal "prompt pay" requirements for Medicaid, nursing homes and hospitals to be eligible for the increase.</p> <p>*2.5% per year increase for a two-year period for DSH funding. For CA public hospitals this should result in \$54 million and will trigger a CA State General Fund increased cost of \$9 million to certain other hospitals.</p> <p>*Other important provisions include a moratoria on certain federal Medicaid regulations that would have had potentially significant adverse fiscal impacts.</p>
	<p>Formula and discretionary grants to states and localities for job training and employment services for dislocated workers, youths and adults</p>	<p>\$3.950 billion total</p>	<p>Visit the California Workforce Investment Board Web site for updates on access the funding: http://www.calwia.org/</p>	<p>*85% of all WIA funds go to local Workforce Investment Boards and 15% is available for state discretionary purposes.</p> <p>*CA estimated to receive \$420 million for Boards, \$74 million for state administration.</p> <p>*CA will also receive \$45.5 million for "One-Stop" Centers and \$17.3 million in Trade Adjustment Assistance funds.</p> <p>*CA Unemployment Insurance Program will also receive an estimated \$5.4 billion, mostly to displaced workers directly.</p>

<p>Healthcare Workforce Development</p>	<p>Funding to support health care workforce development programs.</p>	<p>\$500 million total; \$300 million of this amount is for the National Health Service Corps for medical education scholarships, loan replacement funds and grants to medical training programs.</p>	<p>At this time it is unknown how these funds will be distributed.</p>	<p>*CA also eligible for unknown amount of additional funds for additional worker assistance, Youth Build programs, and competitive grants for worker training and placement.</p> <p>*The LAO recommends that the Legislature examine these funds and issues within the broader context of addressing the CA Unemployment Insurance program's insolvency.</p>
	<p>Formula and discretionary funds</p>	<p>\$2 billion total; \$500 million for grants to public health centers to provide services. \$1.5 billion for construction and renovation of facilities and IT equipment for public health centers, including community health centers.</p>	<p>Visit the National Association of Community Health Centers Web site for FAQ's and answered on accessing the funding: http://www.nachc.org/appropriations.cfm</p>	<p>California currently receives \$1 million annually from the National Health Service Corps. According to the LAO, It is unknown at this point how much of the new funding CA would receive.</p> <p>According to the LAO, the federal government has not yet established how it will distribute these funds.</p>
<p>Health Resources Services Administration - Community Health Centers</p>				

Health Care Information Technology (HIT)	Accelerates adoption of health IT systems	\$39 billion total ; \$2 billion for competitive grants; \$15 billion for Medicaid incentive payments; \$22 billion for Medicare incentives. Bulk of funding will go to Medicare and Medicaid providers over a 9-year period. Must have 20-30 percent Medicaid or Medicare patient volume. Up to \$11 million available for hospitals.	Visit the U.S. Department of Health and Human Services Information Technology home page at: http://www.hhs.gov/healthit	The LAO recommends that the state Office of Health Information Integrity be directed to take the lead on Health IT efforts, and that they identify nonstate sources of funding from private health care organizations or provider organizations in order to participate in IT funding opportunities.
Preventive Health and Health Services Block Grants	Additional funding for state and local public health departments, immunization programs, and evidence-based disease prevention.	\$3 billion total	U.S. Department of Health and Human Services Centers for Disease Control and Prevention web page: http://www.cdc.gov/nccdphp/blockgrant/	<i>CSAC reports this item at \$3 billion total nationally and the LAO reports that \$1 billion total nationally will be available. \$34 million nationally will be reserved for vaccination services, according to the LAO.</i>

Sources:

The California State Association of Counties Analysis, available in full at

<http://www.csac.counties.org/images/users/1/stimulusfinalchart-CSAC%203.27.09.pdf>

and

The California Legislative Analyst's Office (LAO) Economic Stimulus Report, available in full at

http://www.lao.ca.gov/2009/bud/fed_stimulus/fed_stimulus_031009.pdf

(Where these analyses disagreed as to amounts, the LAO figures were used, except as noted.)