

BACKGROUND BRIEF May 2010

ARRA: Health-Related Funding Opportunities for LEAs and LGAs

The American Recovery and Reinvestment Act (ARRA) of 2009 includes approximately \$136.3 billion in health-related funding opportunities for state and local agencies. This spending includes an estimated \$15.5 billion for agencies in California to provide or expand health and special education services.¹

What is ARRA?

President Obama signed the ARRA, also referred to as the stimulus package, on February 17, 2009. With an estimated total cost of \$787 billion, ARRA was intended to strategically improve economic activity throughout the United States and alleviate the harsh effects of a recession that started in December 2007.

How can ARRA Impact our Health Programs?

Many of ARRA's 23 tax and spending provisions concern health care. For Local Educational Agencies (LEAs) and Local Governmental Agencies (LGAs) in California, these health-based funding opportunities exist in two primary areas: *existing* and *new* services.

Supporting Existing Health Services

Increased or continued funding for existing health services is available through:

- Increased Federal Medical Assistance Participation (FMAP), which raises the federal share of expenditures on health and social services, such as Medicaid, from 50 percent to 61.59 percent. This is scheduled to last through at least December 31, 2010 with a possible extension through June 30, 2011.

These extra funds provide an incentive for improved and increased participation in LEA Billing, MAA and similar funding programs. For example, LEAs that document \$1 million on Medi-Cal billable services or reimbursable activities during the period of increased FMAP receive an additional \$115,900. This reduces the net costs of health care for localities.

- Continued funding of school-based administration and transportation services, as well as Targeted Case Management for public guardian and probation services.² This funding was

¹ Estimates appear as reported by the State of California according to federal allocation targets available at: <http://www.recovery.ca.gov/>. Actual spending may differ.



threatened by rule changes from the Centers for Medicare and Medicaid Services (CMS) in the wake of the Deficit Reduction Act of 2005.

Funding the Creation and Expansion of New Health Services

Opportunities for new funding of health-related services to LEAs and LGAs in California are available through ARRA for the following:

Special Education for schools currently receiving funds from the Individuals with Disabilities Education Act (IDEA), Part B.

Purpose	To enhance funding for IDEA, providing children with disabilities access to public education that meets individual needs, and furthers additional education, employment and independent living.
Availability	California has been awarded <u>\$1.33 billion</u> , of which \$326.5 million has been received and expended. Funds are being distributed by the California Department of Education (CDE) at www.cde.ca.gov .

Health Resources and Services for Community Health Centers including School Health Centers.

Purpose	To support primary health care, especially in underserved areas, by funding health center services, technology, renovations and repairs in health centers.
Availability	California has been awarded <u>\$243.3 million</u> , of which \$43.1 has been received, and \$39.5 expended. Grants from the Department of Health and Human Services are posted online at www.grants.gov .

Health Information Technology for Medi-Cal providers, including LEAs.

Purpose	To encourage the use and exchange of electronic health information.
Availability	No funds have been awarded, received or expended to date in California. Expenditures are scheduled to begin October 1, 2010 to give CMS and states time to finalize regulations for “meaningful use” of funded technology, and other provisions. As regulations are finalized, funds will be available from the California Department of Health Care Services at: www.dhcs.ca.gov , and the U.S. Department of Health and Human Services at www.grants.gov .

² On June 30, 2009, CMS published a final rule *rescinding in full* the school-based services and transportation regulations, and partially rescinding the targeted case management regulation.



Prevention and Wellness Fund for Medi-Cal providers, including LEAs.

Purpose	To support state and local immunization efforts, control of infection and chronic disease, and wellness programs.
Availability	California has been awarded <u>\$4.3 million</u> , of which \$0 has been received and \$.5 million expended. Funds are available from the California Department of Health Care Services at: www.dhcs.ca.gov , and the U.S. Department of Health and Human Services (HHS) at www.grants.gov .

Additional Information

In the coming months, Paradigm will be publishing detailed policy briefs on each of the new health-related funding opportunities for LEAs and LGAs available through the American Recovery and Reinvestment Act. Copies of Paradigm Publications are available on our main website, www.paradigm-healthcare.com, or can be requested from our Client Care department, support@paradigm-healthcare.com.

Web Resources

- U.S. Department of Health and Human Services: <http://www.hhs.gov/recovery/index.html>
- ARRA Programs: <http://www.hhs.gov/recovery/programs/index.html>
 - Health Information Technology: <http://healthit.hhs.gov/portal/server.pt>
- State of California, Recovery Act: <http://www.recovery.ca.gov/>

