



May 19, 2009

**ANNOUNCEMENT OF CMS DEMONSTRATION  
PROJECT PHASE II CANCELLATION**

The Department of Community Health (DCH) has been informed that the Centers for Medicare and Medicaid Services (CMS) has cancelled Phase II of the Electronic Health Records (EHR) Demonstration Project, which originally was planned to begin operations in mid-2010.

This decision by CMS is intended to ensure alignment of the CMS goals with the goals and direction of the American Recovery and Reinvestment Act of 2009 (ARRA) signed by President Obama on February 17, 2009.

DCH values our work with you on the EHR Demonstration Project. We have developed valuable partnerships across the state and look forward to the opportunity to continue working with you as the approximately \$19 billion included within in the ARRA for the development and adoption of health information technology (HIT) becomes available.

As a further extension of DCH's leadership role in the HIT community, DCH was designated by Governor Sonny Perdue as the state agency to receive HIT funds available through the ARRA of 2009. Georgia will use stimulus funds to create programs for providers who are interested in purchasing electronic health records, to reimburse Medicaid providers who utilize electronic health records to improve clinical outcomes, and it hopes to be named as a HIT Regional Extension Center.

Thank you for your commitment to this invaluable initiative.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Medows', written over a horizontal line.

Rhonda M. Medows, M.D.