AMENDMENT NO.________ Calendar No.______

Purpose: To modernize America's health care system.

IN THE SENATE OF THE UNITED STATES—111th Cong., 1st Sess.

H. R. 3590

To amend the Internal Revenue Code of 1986 to modify the first-time homebuyers credit in the case of members of the Armed Forces and certain other Federal employees, and for other purposes.

Referred to the Committee on ____________________ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by ____________________ to the amendment (No. 2786) proposed by Mr. REID

Viz:

1 On page 2074, after line 25, insert the following:

TITLE X—MODERNIZING AMERICA'S HEALTH CARE SYSTEM

Subtitle A—Improving Quality and Value Through Delivery System Reform

SEC. 10001. QUALITY REPORTING FOR PSYCHIATRIC HOSPITALS.

(a) IN GENERAL.—Section 1886(s) of the Social Security Act, as added by section 3401(f), is amended by adding at the end the following new paragraph:

"(4) QUALITY REPORTING.—

"(A) REDUCTION IN UPDATE FOR FAILURE TO REPORT.—

"(i) IN GENERAL.—Under the system described in paragraph (1), for rate year 2014 and each subsequent rate year, in the case of a psychiatric hospital or psychiatric unit that does not submit data to the Secretary in accordance with subparagraph (C) with respect to such a rate year, any annual update to a standard Federal rate for discharges for the hospital during the rate year, and after application of paragraph (2), shall be reduced by 2 percentage points.

1 "(ii) SPECIAL RULE.—The application
2 of this subparagraph may result in such
3 annual update being less than 0.0 for a
4 rate year, and may result in payment rates
5 under the system described in paragraph
6 (1) for a rate year being less than such
7 payment rates for the preceding rate year.
8 "(B) NONCUMULATIVE APPLICATION.—
9 Any reduction under subparagraph (A) shall
10 apply only with respect to the rate year involved
11 and the Secretary shall not take into account
12 such reduction in computing the payment
13 amount under the system described in para-
14 graph (1) for a subsequent rate year.
15 "(C) SUBMISSION OF QUALITY DATA.—For
16 rate year 2014 and each subsequent rate year,
17 each psychiatric hospital and psychiatric unit
18 shall submit to the Secretary data on quality
19 measures specified under subparagraph (D).
20 Such data shall be submitted in a form and
21 manner, and at a time, specified by the Sec-
22 retary for purposes of this subparagraph.
23 "(D) QUALITY MEASURES.—
24 "(i) IN GENERAL.—Subject to clause
25 (ii), any measure specified by the Secretary

1 under this subparagraph must have been
2 endorsed by the entity with a contract
3 under section 1890(a).
4 "(ii) EXCEPTION.—In the case of a
5 specified area or medical topic determined
6 appropriate by the Secretary for which a
7 feasible and practical measure has not
8 been endorsed by the entity with a contract
9 under section 1890(a), the Secretary may
10 specify a measure that is not so endorsed
11 as long as due consideration is given to
12 measures that have been endorsed or
13 adopted by a consensus organization iden-
14 tified by the Secretary.
15 "(iii) TIME FRAME.—Not later than
16 October 1, 2012, the Secretary shall pub-
17 lish the measures selected under this sub-
18 paragraph that will be applicable with re-
19 spect to rate year 2014.
20 "(E) PUBLIC AVAILABILITY OF DATA SUB-
21 MITTED.—The Secretary shall establish proce-
22 dures for making data submitted under sub-
23 paragraph (C) available to the public. Such pro-
24 cedures shall ensure that a psychiatric hospital
25 and a psychiatric unit has the opportunity to

1 review the data that is to be made public with
2 respect to the hospital or unit prior to such
3 data being made public. The Secretary shall re-
4 port quality measures that relate to services
5 furnished in inpatient settings in psychiatric
6 hospitals and psychiatric units on the Internet
7 website of the Centers for Medicare & Medicaid
8 Services.''.

9 (b) CONFORMING AMENDMENT.—Section
10 1890(b)(7)(B)(i)(I) of the Social Security Act, as added
11 by section 3014, is amended by inserting
12 ''1886(s)(4)(D),'' after ''1886(o)(2),''.

13 **SEC. 10002. PILOT TESTING PAY-FOR-PERFORMANCE PRO-**
14 **GRAMS FOR CERTAIN MEDICARE PROVIDERS.**

15 (a) IN GENERAL.—Not later than January 1, 2016,
16 the Secretary of Health and Human Services (in this sec-
17 tion referred to as the ''Secretary'') shall, for each pro-
18 vider described in subsection (b), conduct a separate pilot
19 program under title XVIII of the Social Security Act to
20 test the implementation of a value-based purchasing pro-
21 gram for payments under such title for the provider.

22 (b) PROVIDERS DESCRIBED.—The providers de-
23 scribed in this paragraph are the following:

24 (1) Psychiatric hospitals (as described in clause
25 (i) of section 1886(d)(1)(B) of such Act (42 U.S.C.

1395ww(d)(1)(B))) and psychiatric units (as described in the matter following clause (v) of such section).

(2) Long-term care hospitals (as described in clause (iv) of such section).

(3) Rehabilitation hospitals (as described in clause (ii) of such section).

(4) PPS-exempt cancer hospitals (as described in clause (v) of such section).

(5) Hospice programs (as defined in section 1861(dd)(2) of such Act (42 U.S.C. 1395x(dd)(2))).

(c) WAIVER AUTHORITY.—The Secretary may waive such requirements of titles XI and XVIII of the Social Security Act as may be necessary solely for purposes of carrying out the pilot programs under this section.

(d) EXPANSION OF PILOT PROGRAM.—The Secretary may, at any point after January 1, 2018, expand the duration and scope of a pilot program conducted under this subsection, to the extent determined appropriate by the Secretary, if—

(1) the Secretary determines that such expansion is expected to—

(A) reduce spending under title XVIII of the Social Security Act without reducing the quality of care; or

1 (B) improve the quality of care and reduce
2 spending;
3 (2) the Chief Actuary of the Centers for Medi-
4 care & Medicaid Services certifies that such expan-
5 sion would reduce program spending under such title
6 XVIII; and
7 (3) the Secretary determines that such expan-
8 sion would not deny or limit the coverage or provi-
9 sion of benefits under such title XIII for Medicare
10 beneficiaries.

11 **SEC. 10003. PLANS FOR A VALUE-BASED PURCHASING PRO-**
12 **GRAM FOR AMBULATORY SURGICAL CEN-**
13 **TERS.**

14 Section 3006 of this Act is amended by adding at
15 the end the following new subsection:
16 ''(f) AMBULATORY SURGICAL CENTERS.—
17 ''(1) IN GENERAL.—The Secretary shall develop
18 a plan to implement a value-based purchasing pro-
19 gram for payments under the Medicare program
20 under title XVIII of the Social Security Act for am-
21 bulatory surgical centers (as described in section
22 1833(i) of the Social Security Act (42 U.S.C.
23 1395l(i))).

1 "(2) DETAILS.—In developing the plan under
2 paragraph (1), the Secretary shall consider the fol-
3 lowing issues:
4 "(A) The ongoing development, selection,
5 and modification process for measures (includ-
6 ing under section 1890 of the Social Security
7 Act (42 U.S.C. 1395aaa) and section 1890A of
8 such Act, as added by section 3014), to the ex-
9 tent feasible and practicable, of all dimensions
10 of quality and efficiency in ambulatory surgical
11 centers.
12 "(B) The reporting, collection, and valida-
13 tion of quality data.
14 "(C) The structure of value-based payment
15 adjustments, including the determination of
16 thresholds or improvements in quality that
17 would substantiate a payment adjustment, the
18 size of such payments, and the sources of fund-
19 ing for the value-based bonus payments.
20 "(D) Methods for the public disclosure of
21 information on the performance of ambulatory
22 surgical centers.
23 "(E) Any other issues determined appro-
24 priate by the Secretary.

1 "(3) CONSULTATION.—In developing the plan
2 under paragraph (1), the Secretary shall—
3 "(A) consult with relevant affected parties;
4 and
5 "(B) consider experience with such dem-
6 onstrations that the Secretary determines are
7 relevant to the value-based purchasing program
8 described in paragraph (1).
9 "(4) REPORT TO CONGRESS.—Not later than
10 January 1, 2011, the Secretary shall submit to Con-
11 gress a report containing the plan developed under
12 paragraph (1).".
13 **SEC. 10004. REVISIONS TO NATIONAL PILOT PROGRAM ON**
14 **PAYMENT BUNDLING.**
15 Section 1866D of the Social Security Act, as added
16 by section 3023, is amended—
17 (1) in paragraph (a)(2)(B), in the matter pre-
18 ceding clause (i), by striking "8 conditions" and in-
19 serting "10 conditions";
20 (2) by striking subsection (c)(1)(B) and insert-
21 ing the following:
22 "(B) EXPANSION.—The Secretary may, at
23 any point after January 1, 2016, expand the
24 duration and scope of the pilot program, to the

1 extent determined appropriate by the Secretary,
2 if—
3 ''(i) the Secretary determines that
4 such expansion is expected to—
5 ''(I) reduce spending under title
6 XVIII of the Social Security Act with-
7 out reducing the quality of care; or
8 ''(II) improve the quality of care
9 and reduce spending;
10 ''(ii) the Chief Actuary of the Centers
11 for Medicare & Medicaid Services certifies
12 that such expansion would reduce program
13 spending under such title XVIII; and
14 ''(iii) the Secretary determines that
15 such expansion would not deny or limit the
16 coverage or provision of benefits under this
17 title for individuals.''; and
18 (3) by striking subsection (g).
19 **SEC. 10005. IMPROVEMENTS TO THE MEDICARE SHARED**
20 **SAVINGS PROGRAM.**
21 Section 1899 of the Social Security Act, as added by
22 section 3022, is amended by adding at the end the fol-
23 lowing new subsections:
24 ''(i) OPTION TO USE OTHER PAYMENT MODELS.—

1 "(1) IN GENERAL.—If the Secretary determines
2 appropriate, the Secretary may use any of the pay-
3 ment models described in paragraph (2) or (3) for
4 making payments under the program rather than
5 the payment model described in subsection (d).
6 "(2) PARTIAL CAPITATION MODEL.—
7 "(A) IN GENERAL.—Subject to subpara-
8 graph (B), a model described in this paragraph
9 is a partial capitation model in which an ACO
10 is at financial risk for some, but not all, of the
11 items and services covered under parts A and
12 B, such as at risk for some or all physicians'
13 services or all items and services under part B.
14 The Secretary may limit a partial capitation
15 model to ACOs that are highly integrated sys-
16 tems of care and to ACOs capable of bearing
17 risk, as determined to be appropriate by the
18 Secretary.
19 "(B) NO ADDITIONAL PROGRAM EXPENDI-
20 TURES.—Payments to an ACO for items and
21 services under this title for beneficiaries for a
22 year under the partial capitation model shall be
23 established in a manner that does not result in
24 spending more for such ACO for such bene-
25 ficiaries than would otherwise be expended for

1 such ACO for such beneficiaries for such year
2 if the model were not implemented, as esti-
3 mated by the Secretary.

4 "(3) OTHER PAYMENT MODELS.—

5 "(A) IN GENERAL.—Subject to subpara-
6 graph (B), a model described in this paragraph
7 is any payment model that the Secretary deter-
8 mines will improve the quality and efficiency of
9 items and services furnished under this title.

10 "(B) NO ADDITIONAL PROGRAM EXPENDI-
11 TURES.—Subparagraph (B) of paragraph (2)
12 shall apply to a payment model under subpara-
13 graph (A) in a similar manner as such subpara-
14 graph (B) applies to the payment model under
15 paragraph (2).

16 "(j) INVOLVEMENT IN PRIVATE PAYER AND OTHER
17 THIRD PARTY ARRANGEMENTS.—The Secretary may give
18 preference to ACOs who are participating in similar ar-
19 rangements with other payers.

20 "(k) TREATMENT OF PHYSICIAN GROUP PRACTICE
21 DEMONSTRATION.—During the period beginning on the
22 date of the enactment of this section and ending on the
23 date the program is established, the Secretary may enter
24 into an agreement with an ACO under the demonstration

under section 1866A, subject to rebasing and other modifications deemed appropriate by the Secretary.''.

SEC. 10006. INCENTIVES TO IMPLEMENT ACTIVITIES TO REDUCE DISPARITIES.

Section 1311(g)(1) of this Act is amended—

(1) in subparagraph (C), by striking ''; and'' and inserting a semicolon;

(2) in subparagraph (D), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(E) the implementation of activities to reduce health and health care disparities, including through the use of language services, community outreach, and cultural competency trainings.''.

SEC. 10007. SELECTION OF EFFICIENCY MEASURES.

Sections 1890(b)(7) and 1890A of the Social Security Act, as added by section 3014, are amended by striking ''quality'' each time it appears and inserting ''quality and efficiency''.

1 **SEC. 10008. GEOGRAPHIC TESTING OF PAYMENT AND SERV-**
2 **ICE DELIVERY MODELS UNDER THE CENTER**
3 **FOR MEDICARE AND MEDICAID INNOVATION.**

4 Section 1115A(a) of the Social Security Act, as added
5 by section 3021, is amended by inserting at the end the
6 following new paragraph:

7 ''(5) TESTING WITHIN CERTAIN GEOGRAPHIC
8 AREAS.—For purposes of testing payment and serv-
9 ice delivery models under this section, the Secretary
10 may elect to limit testing of a model to certain geo-
11 graphic areas.''.

12 **SEC. 10009. ADDITIONAL IMPROVEMENTS UNDER THE CEN-**
13 **TER FOR MEDICARE AND MEDICAID INNOVA-**
14 **TION.**

15 Section 1115A(a) of the Social Security Act, as added
16 by section 3021, is amended—
17 (1) in subsection (b)(2)—
18 (A) in subparagraph (A)—
19 (i) in the second sentence, by striking
20 ''the preceding sentence may include'' and
21 inserting ''this subparagraph may include,
22 but are not limited to,''; and
23 (ii) by inserting after the first sen-
24 tence the following new sentence: ''The
25 Secretary shall focus on models expected to
26 reduce program costs under the applicable

1 title while preserving or enhancing the
2 quality of care received by individuals re-
3 ceiving benefits under such title.''; and
4 (B) in subparagraph (C), by adding at the
5 end the following new clause:
6 ''(viii) Whether the model dem-
7 onstrates effective linkage with other pub-
8 lic sector or private sector payers.'';
9 (2) in subsection (b)(4), by adding at the end
10 the following new subparagraph:
11 ''(C) MEASURE SELECTION.—To the ex-
12 tent feasible, the Secretary shall select meas-
13 ures under this paragraph that reflect national
14 priorities for quality improvement and patient-
15 centered care consistent with the measures de-
16 scribed in 1890(b)(7)(B).''; and
17 (3) in subsection (c)—
18 (A) in paragraph (1)(B), by striking ''and''
19 at the end;
20 (B) in paragraph (2), by striking the pe-
21 riod at the end and inserting ''; and''; and
22 (C) by adding at the end the following new
23 paragraph:
24 ''(3) the Secretary determines that such expan-
25 sion would not deny or limit the coverage or provi-

1 sion of benefits under the applicable title for applica-
2 ble individuals.''.

3 **SEC. 10010. IMPROVEMENTS TO THE PHYSICIAN QUALITY**
4 **REPORTING SYSTEM.**

5 (a) IN GENERAL.—Section 1848(m) of the Social Se-
6 curity Act (42 U.S.C. 1395w–4(m)) is amended by adding
7 at the end the following new paragraph:

8 ''(7) ADDITIONAL INCENTIVE PAYMENT.—

9 ''(A) IN GENERAL.—For 2011 through
10 2014, if an eligible professional meets the re-
11 quirements described in subparagraph (B), the
12 applicable quality percent for such year, as de-
13 scribed in clauses (iii) and (iv) of paragraph
14 (1)(B), shall be increased by 0.5 percentage
15 points.

16 ''(B) REQUIREMENTS DESCRIBED.—In
17 order to qualify for the additional incentive pay-
18 ment described in subparagraph (A), an eligible
19 professional shall meet the following require-
20 ments:

21 ''(i) The eligible professional shall—

22 ''(I) satisfactorily submit data on
23 quality measures for purposes of para-
24 graph (1) for a year; and

1 ''(II) have such data submitted
2 on their behalf through a Maintenance
3 of Certification Program (as defined
4 in subparagraph (C)(i)) that meets—
5 ''(aa) the criteria for a reg-
6 istry (as described in subsection
7 (k)(4)); or
8 ''(bb) an alternative form
9 and manner determined appro-
10 priate by the Secretary.
11 ''(ii) The eligible professional, more
12 frequently than is required to qualify for or
13 maintain board certification status—
14 ''(I) participates in such a Main-
15 tenance of Certification program for a
16 year; and
17 ''(II) successfully completes a
18 qualified Maintenance of Certification
19 Program practice assessment (as de-
20 fined in subparagraph (C)(ii)) for
21 such year.
22 ''(iii) A Maintenance of Certification
23 program submits to the Secretary, on be-
24 half of the eligible professional, informa-
25 tion—

1 "(I) in a form and manner speci-
2 fied by the Secretary, that the eligible
3 professional has successfully met the
4 requirements of clause (ii) (which may
5 be in the form of a structural meas-
6 ure);
7 "(II) if requested by the Sec-
8 retary, on the survey of patient expe-
9 rience with care (as described in sub-
10 paragraph (C)(ii)(II)); and
11 "(III) as the Secretary may re-
12 quire, on the methods, measures, and
13 data used under the Maintenance of
14 Certification Program and the quali-
15 fied Maintenance of Certification Pro-
16 gram practice assessment.
17 "(C) DEFINITIONS.—For purposes of this
18 paragraph:
19 "(i) The term 'Maintenance of Certifi-
20 cation Program' means a continuous as-
21 sessment program, such as qualified Amer-
22 ican Board of Medical Specialties Mainte-
23 nance of Certification program or an
24 equivalent program (as determined by the
25 Secretary), that advances quality and the

1 lifelong learning and self-assessment of
2 board certified specialty physicians by fo-
3 cusing on the competencies of patient care,
4 medical knowledge, practice-based learning,
5 interpersonal and communication skills and
6 professionalism. Such a program shall in-
7 clude the following:
8 ''(I) The program requires the
9 physician to maintain a valid, unre-
10 stricted medical license in the United
11 States.
12 ''(II) The program requires a
13 physician to participate in educational
14 and self-assessment programs that re-
15 quire an assessment of what was
16 learned.
17 ''(III) The program requires a
18 physician to demonstrate, through a
19 formalized, secure examination, that
20 the physician has the fundamental di-
21 agnostic skills, medical knowledge,
22 and clinical judgment to provide qual-
23 ity care in their respective specialty.
24 ''(IV) The program requires suc-
25 cessful completion of a qualified Main-

1 tenance of Certification Program
2 practice assessment as described in
3 clause (ii).
4 ‘‘(ii) The term ‘qualified Maintenance
5 of Certification Program practice assess-
6 ment’ means an assessment of a physi-
7 cian’s practice that—
8 ‘‘(I) includes an initial assess-
9 ment of an eligible professional’s prac-
10 tice that is designed to demonstrate
11 the physician’s use of evidence-based
12 medicine;
13 ‘‘(II) includes a survey of patient
14 experience with care; and
15 ‘‘(III) requires a physician to im-
16 plement a quality improvement inter-
17 vention to address a practice weak-
18 ness identified in the initial assess-
19 ment under subclause (I) and then to
20 remeasure to assess performance im-
21 provement after such intervention.’’.
22 (b) AUTHORITY.—Section 3002(c) of this Act is
23 amended by adding at the end the following new para-
24 graph:

1 "(3) AUTHORITY.—For years after 2014, if the
2 Secretary of Health and Human Services determines
3 it to be appropriate, the Secretary may incorporate
4 participation in a Maintenance of Certification Pro-
5 gram and successful completion of a qualified Main-
6 tenance of Certification Program practice assess-
7 ment into the composite of measures of quality of
8 care furnished pursuant to the physician fee sched-
9 ule payment modifier, as described in section
10 1848(p)(2) of the Social Security Act (42 U.S.C.
11 1395w–4(p)(2)).".

12 **SEC. 10011. IMPROVEMENT IN PART D MEDICATION THER-**
13 **APY MANAGEMENT (MTM) PROGRAMS.**

14 (a) IN GENERAL.—Section 1860D–4(c)(2) of the So-
15 cial Security Act (42 U.S.C. 1395w–104(c)(2)) is amend-
16 ed—
17 (1) by redesignating subparagraphs (C), (D),
18 and (E) as subparagraphs (E), (F), and (G), respec-
19 tively; and
20 (2) by inserting after subparagraph (B) the fol-
21 lowing new subparagraphs:
22 "(C) REQUIRED INTERVENTIONS.—For
23 plan years beginning on or after the date that
24 is 2 years after the date of the enactment of the
25 Patient Protection and Affordable Care Act,

1 prescription drug plan sponsors shall offer
2 medication therapy management services to tar-
3 geted beneficiaries described in subparagraph
4 (A)(ii) that include, at a minimum, the fol-
5 lowing to increase adherence to prescription
6 medications or other goals deemed necessary by
7 the Secretary:
8 "(i) An annual comprehensive medica-
9 tion review furnished person-to-person or
10 using telehealth technologies (as defined by
11 the Secretary) by a licensed pharmacist or
12 other qualified provider. The comprehen-
13 sive medication review—
14 "(I) shall include a review of the
15 individual's medications and may re-
16 sult in the creation of a recommended
17 medication action plan or other ac-
18 tions in consultation with the indi-
19 vidual and with input from the pre-
20 scriber to the extent necessary and
21 practicable; and
22 "(II) shall include providing the
23 individual with a written or printed
24 summary of the results of the review.

1 The Secretary, in consultation with rel-
2 evant stakeholders, shall develop a stand-
3 ardized format for the action plan under
4 subclause (I) and the summary under sub-
5 clause (II).
6 "(ii) Follow-up interventions as war-
7 ranted based on the findings of the annual
8 medication review or the targeted medica-
9 tion enrollment and which may be provided
10 person-to-person or using telehealth tech-
11 nologies (as defined by the Secretary).
12 "(D) ASSESSMENT.—The prescription
13 drug plan sponsor shall have in place a process
14 to assess, at least on a quarterly basis, the
15 medication use of individuals who are at risk
16 but not enrolled in the medication therapy man-
17 agement program, including individuals who
18 have experienced a transition in care, if the pre-
19 scription drug plan sponsor has access to that
20 information.
21 "(E) AUTOMATIC ENROLLMENT WITH
22 ABILITY TO OPT-OUT.—The prescription drug
23 plan sponsor shall have in place a process to—
24 "(i) subject to clause (ii), automati-
25 cally enroll targeted beneficiaries described

1 in subparagraph (A)(ii), including bene-
2 ficiaries identified under subparagraph
3 (D), in the medication therapy manage-
4 ment program required under this sub-
5 section; and
6 ''(ii) permit such beneficiaries to opt-
7 out of enrollment in such program.''.
8 (b) RULE OF CONSTRUCTION.—Nothing in this sec-
9 tion shall limit the authority of the Secretary of Health
10 and Human Services to modify or broaden requirements
11 for a medication therapy management program under part
12 D of title XVIII of the Social Security Act or to study
13 new models for medication therapy management through
14 the Center for Medicare and Medicaid Innovation under
15 section 1115A of such Act, as added by section 3021.

16 **SEC. 10012. EVALUATION OF TELEHEALTH UNDER THE**
17 **CENTER FOR MEDICARE AND MEDICAID IN-**
18 **NOVATION.**

19 Section 1115A(b)(2)(B) of the Social Security Act,
20 as added by section 3021, is amended by adding at the
21 end the following new clause:
22 ''(xix) Evaluating, in particular in en-
23 tities located in medically underserved
24 areas and facilities of the Indian Health
25 Service (whether operated by such Service

1 or by an Indian tribe or tribal organization
2 (as those terms are defined in section 4 of
3 the Indian Health Care Improvement
4 Act)), the effectiveness and economic bene-
5 fits of using telehealth services in treating
6 behavioral health issues (such as post-trau-
7 matic stress disorder) and to improve the
8 capacity of non-medical providers and non-
9 specialized medical providers to provide
10 health services for patients with chronic
11 complex conditions.''.

12 **SEC. 10013. EXPANDING ACCESS TO STROKE TELEHEALTH**
13 **SERVICES.**

14 (a) EXPANSION OF ORIGINATING SITES FOR STROKE
15 TELEHEALTH SERVICES.—Section 1834(m)(4) of the So-
16 cial Security Act (42 U.S.C. 1395m(m)(4)) is amended—
17 (1) in subparagraph (C)—
18 (A) in clause (i), in the matter preceding
19 subclause (I), by striking ''The term'' and in-
20 serting ''Subject to clause (iii), the term''; and
21 (B) by adding at the end the following new
22 clause:
23 ''(iii) EXPANSION OF ORIGINATING
24 SITES FOR STROKE TELEHEALTH SERV-
25 ICES.—In the case of stroke telehealth

1 services, the term ‘originating site’ means
2 any site described in clause (ii) at which
3 the eligible telehealth individual is located
4 at the time the service is furnished via a
5 telecommunications system, regardless of
6 where the site is located.’’; and
7 (2) by adding at the end the following new sub-
8 paragraph:
9 ‘‘(G) STROKE TELEHEALTH SERVICES.—
10 The term ‘stroke telehealth services’ means a
11 telehealth service used for the evaluation or
12 treatment of individuals with acute stroke.’’.
13 (b) EFFECTIVE DATE.—The amendments made by
14 subsection (a) shall apply to telehealth services furnished
15 on or after January 1, 2011.

16 **SEC. 10014. IMPROVING ACCESS TO TELEHEALTH SERVICES**
17 **AT IHS FACILITIES.**

18 (a) INCLUSION OF IHS FACILITIES AS ORIGINATING
19 SITES.—Section 1834(m)(4)(C)(ii) of the Social Security
20 Act (42 U.S.C. 1395m(m)(4)(C)(ii)) is amended by adding
21 at the end the following new subclause:
22 ‘‘(IX) A facility of the Indian
23 Health Service, whether operated by
24 such Service or by an Indian tribe or
25 tribal organization (as those terms are

1 defined in section 4 of the Indian
2 Health Care Improvement Act).''.
3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to telehealth services furnished on
5 or after January 1, 2011.

6 **SEC. 10015. HOSPITAL CREDENTIALING OF TELEMEDICINE**
7 **PHYSICIANS AND PRACTITIONERS.**

8 (a) IN GENERAL.—Not later than 60 days after the
9 date of the enactment of this Act, the Secretary of Health
10 and Human Services shall issue guidance for hospitals (as
11 defined in subsection (d)) to simplify requirements regard-
12 ing compiling practitioner credentials for the purpose of
13 rendering a medical staff privileging decision (under by-
14 laws of the type described in section 1861(e)(3) of the So-
15 cial Security Act) for physicians and practitioners (as de-
16 fined in subsection (d)) delivering telehealth services that
17 are furnished via a telecommunications system.
18 (b) FLEXIBILITY IN ACCEPTING CREDENTIALING BY
19 ANOTHER MEDICARE PARTICIPATING HOSPITAL.—
20 (1) IN GENERAL.—Such guidance shall permit
21 a hospital to accept credentialing packages compiled
22 by another hospital participating under Medicare
23 with regard to physicians and practitioners who seek
24 medical staff privileges in the hospital to provide
25 telehealth services via a telecommunications system

1 from a site other than the hospital where the patient
2 is located.
3 (2) CONSTRUCTION.—Nothing in this section
4 shall be construed to require a hospital to accept the
5 credentialing package compiled by another facility.
6 (3) NO OVERSIGHT REQUIRED.—If a hospital
7 does accept the credentialing materials prepared by
8 another hospital, the hospital shall not be required
9 to exercise oversight over the other hospital's process
10 for compiling and verifying credentials.
11 (c) CONSTRUCTION.—This subsection shall not be
12 construed as limiting the ability of the Secretary to issue
13 additional guidance regarding the requirements for the
14 compilation of credentials for physicians and practitioners
15 not described in subsection (a).
16 (d) DEFINITIONS.—In this subsection:
17 (1) The term ''hospital'' has the meaning given
18 such term in subsection (e) of section 1861 of the
19 Social Security Act (42 U.S.C. 1395x) and includes
20 a critical access hospital (as defined in subsection
21 (mm)(1) of such section).
22 (2) The term ''physician'' has the meaning
23 given such term in subsection (r) of such section.

1 (3) The term ''practitioner'' means a practi-
2 tioner described in section 1842(b)(18)(C) of the So-
3 cial Security Act (42 U.S.C. 1395u(b)(18)(C)).

4 **SEC. 10016. REVISIONS TO THE EXTENSION FOR THE**
5 **RURAL COMMUNITY HOSPITAL DEMONSTRA-**
6 **TION PROGRAM.**

7 (a) IN GENERAL.—Subsection (g) of section 410A of
8 the Medicare Prescription Drug, Improvement, and Mod-
9 ernization Act of 2003 (Public Law 108–173; 117 Stat.
10 2272), as added by section 3123(a) of this Act, is amend-
11 ed to read as follows:

12 ''(g) FIVE-YEAR EXTENSION OF DEMONSTRATION
13 PROGRAM.—

14 ''(1) IN GENERAL.—Subject to the succeeding
15 provisions of this subsection, the Secretary shall con-
16 duct the demonstration program under this section
17 for an additional 5-year period (in this section re-
18 ferred to as the '5-year extension period') that be-
19 gins on the date immediately following the last day
20 of the initial 5-year period under subsection (a)(5).

21 ''(2) EXPANSION OF DEMONSTRATION
22 STATES.—Notwithstanding subsection (a)(2), during
23 the 5-year extension period, the Secretary shall ex-
24 pand the number of States with low population den-
25 sities determined by the Secretary under such sub-

1 section to 20. In determining which States to include
2 in such expansion, the Secretary shall use the same
3 criteria and data that the Secretary used to deter-
4 mine the States under such subsection for purposes
5 of the initial 5-year period.

6 ‘‘(3) INCREASE IN MAXIMUM NUMBER OF HOS-
7 PITALS PARTICIPATING IN THE DEMONSTRATION
8 PROGRAM.—Notwithstanding subsection (a)(4), dur-
9 ing the 5-year extension period, not more than 30
10 rural community hospitals may participate in the
11 demonstration program under this section.

12 ‘‘(4) HOSPITALS IN DEMONSTRATION PROGRAM
13 ON DATE OF ENACTMENT.—In the case of a rural
14 community hospital that is participating in the dem-
15 onstration program under this section as of the last
16 day of the initial 5-year period, the Secretary—

17 ‘‘(A) shall provide for the continued par-
18 ticipation of such rural community hospital in
19 the demonstration program during the 5-year
20 extension period unless the rural community
21 hospital makes an election, in such form and
22 manner as the Secretary may specify, to dis-
23 continue such participation; and

24 ‘‘(B) in calculating the amount of payment
25 under subsection (b) to the rural community

1 hospital for covered inpatient hospital services
2 furnished by the hospital during such 5-year ex-
3 tension period, shall substitute, under para-
4 graph (1)(A) of such subsection—
5 ‘‘(i) the reasonable costs of providing
6 such services for discharges occurring in
7 the first cost reporting period beginning on
8 or after the first day of the 5-year exten-
9 sion period, for
10 ‘‘(ii) the reasonable costs of providing
11 such services for discharges occurring in
12 the first cost reporting period beginning on
13 or after the implementation of the dem-
14 onstration program.’’.
15 (b) CONFORMING AMENDMENTS.—Subsection (a)(5)
16 of section 410A of the Medicare Prescription Drug, Im-
17 provement, and Modernization Act of 2003 (Public Law
18 108–173; 117 Stat. 2272), as amended by section 3123(b)
19 of this Act, is amended by striking ‘‘1-year extension’’ and
20 inserting ‘‘5-year extension’’.

Subtitle B—Promoting Transparency and Competition

SEC. 10101. ALL PAYER RISK ADJUSTMENT DATA MECHANISM.

(a) DEVELOPMENT.—The Secretary of Health and Human Services (referred to in this section as the "Secretary"), in consultation with relevant stakeholders including health insurance issuers, health care consumers, employers, health care providers, and other entities determined appropriate by the Secretary, shall develop a methodology to measure health plan value. Such methodology shall take into consideration, where applicable—

(1) the overall cost to enrollees under the plan;

(2) the quality of the care provided for under the plan;

(3) the efficiency of the plan in providing care;

(4) the relative risk of the plan's enrollees as compared to other plans;

(5) the actuarial value or other comparative measure of the benefits covered under the plan; and

(6) other factors determined relevant by the Secretary.

(b) REPORT.—Not later than 18 months after the date of enactment of this Act, the Secretary shall submit

1 to Congress a report concerning the methodology devel-
2 oped under subsection (a).

3 **SEC. 10102. DATA COLLECTION; PUBLIC REPORTING.**

4 Section 399II(a) of the Public Health Service Act,
5 as added by section 3015, is amended to read as follows:

6 ''(a) IN GENERAL.—

7 ''(1) ESTABLISHMENT OF STRATEGIC FRAME-
8 WORK.—The Secretary shall establish and imple-
9 ment an overall strategic framework to carry out the
10 public reporting of performance information, as de-
11 scribed in section 399JJ. Such strategic framework
12 may include methods and related timelines for im-
13 plementing nationally consistent data collection, data
14 aggregation, and analysis methods.

15 ''(2) COLLECTION AND AGGREGATION OF
16 DATA.—The Secretary shall collect and aggregate
17 consistent data on quality and resource use meas-
18 ures from information systems used to support
19 health care delivery, and may award grants or con-
20 tracts for this purpose. The Secretary shall align
21 such collection and aggregation efforts with the re-
22 quirements and assistance regarding the expansion
23 of health information technology systems, the inter-
24 operability of such technology systems, and related
25 standards that are in effect on the date of enact-

1 ment of the Patient Protection and Affordable Care
2 Act.
3 "(3) SCOPE.—The Secretary shall ensure that
4 the data collection, data aggregation, and analysis
5 systems described in paragraph (1) involve an in-
6 creasingly broad range of patient populations, pro-
7 viders, and geographic areas over time.".

8 **SEC. 10103. MODERNIZING COMPUTER AND DATA SYSTEMS**
9 **OF THE CENTERS FOR MEDICARE & MED-**
10 **ICAID SERVICES TO SUPPORT IMPROVE-**
11 **MENTS IN CARE DELIVERY.**

12 (a) IN GENERAL.—The Secretary of Health and
13 Human Services (in this section referred to as the "Sec-
14 retary") shall develop a plan (and detailed budget for the
15 resources needed to implement such plan) to modernize
16 the computer and data systems of the Centers for Medi-
17 care & Medicaid Services (in this section referred to as
18 "CMS").
19 (b) CONSIDERATIONS.—In developing the plan, the
20 Secretary shall consider how such modernized computer
21 system could—
22 (1) in accordance with the regulations promul-
23 gated under section 264(c) of the Health Insurance
24 Portability and Accountability Act of 1996, make
25 available data in a reliable and timely manner to

providers of services and suppliers to support their efforts to better manage and coordinate care furnished to beneficiaries of CMS programs; and

(2) support consistent evaluations of payment and delivery system reforms under CMS programs.

(c) POSTING OF PLAN.—By not later than 9 months after the date of the enactment of this Act, the Secretary shall post on the website of the Centers for Medicare & Medicaid Services the plan described in subsection (a).

SEC. 10104. EXPANSION OF THE SCOPE OF THE INDEPENDENT MEDICARE ADVISORY BOARD.

(a) ANNUAL PUBLIC REPORT.—

(1) REPORT.—Section 1899A of the Social Security Act, as added by section 3403, is amended by adding at the end the following new subsection:

''(n) ANNUAL PUBLIC REPORT.—

''(1) IN GENERAL.—Not later than July 1, 2014, and annually thereafter, the Board shall produce a public report containing standardized private sector health care information on costs, patient access to care, utilization, and quality-of-care that allows for comparison by region, types of services, and providers and private payers.

1 ‘‘(2) REQUIREMENTS.—Each report produced
2 pursuant to paragraph (1) shall include information
3 with respect to the following areas:
4 ‘‘(A) The quality and costs of care for the
5 population at the most local level determined
6 practical by the Board (with quality and costs
7 compared to national benchmarks and reflecting
8 rates of change, taking into account quality
9 measures described in section 1890(b)(7)(B)).
10 ‘‘(B) Beneficiary and consumer access to
11 care, patient and caregiver experience of care,
12 and the cost-sharing or out-of-pocket burden on
13 patients.
14 ‘‘(C) Epidemiological shifts and demo-
15 graphic changes.
16 ‘‘(D) The proliferation, effectiveness, and
17 utilization of health care technologies, including
18 variation in provider practice patterns and
19 costs.
20 ‘‘(E) Any other areas that the Board de-
21 termines affect overall spending and quality of
22 care in the private sector.’’.
23 (2) ALIGNMENT WITH MEDICARE PROPOSALS.—
24 Section 1899A(c)(2)(B) of the Social Security Act,
25 as added by section 3403, is amended—

1 (A) in clause (v), by striking ''and'' at the
2 end;
3 (B) in clause (vi), by striking the period at
4 the end and inserting ''; and''; and
5 (C) by adding at the end the following new
6 clause:
7 ''(vii) take into account the data and
8 findings contained in the annual reports
9 under subsection (n) in order to develop
10 proposals that can most effectively promote
11 the delivery of efficient, high quality care
12 to Medicare beneficiaries.''.
13 (b) ADVISORY RECOMMENDATIONS FOR NON-MEDI-
14 CARE PROGRAMS.—Section 1899A of the Social Security
15 Act, as added by section 3403 and as amended by sub-
16 section (a)(1), is amended by adding at the end the fol-
17 lowing new subsection:
18 ''(o) ADVISORY RECOMMENDATIONS FOR NON-MEDI-
19 CARE PROGRAMS.—
20 ''(1) IN GENERAL.—Not later than January 15,
21 2015, and at least once every two years thereafter,
22 the Board shall submit to Congress and the Presi-
23 dent recommendations to slow the growth in na-
24 tional health expenditures (excluding expenditures
25 under this title and in other Federal health care pro-

1 grams) while preserving or enhancing quality of
2 care, such as recommendations—
3 ''(A) that the Secretary or other Federal
4 agencies can implement administratively;
5 ''(B) that may require legislation to be en-
6 acted by Congress in order to be implemented;
7 ''(C) that may require legislation to be en-
8 acted by State or local governments in order to
9 be implemented;
10 ''(D) that private sector entities can volun-
11 tarily implement; and
12 ''(E) with respect to other areas deter-
13 mined appropriate by the Board.
14 ''(2) COORDINATION.—In making recommenda-
15 tions under paragraph (1), the Board shall coordi-
16 nate such recommendations with recommendations
17 contained in proposals and advisory reports pro-
18 duced by the Board under subsection (c).
19 ''(3) AVAILABLE TO PUBLIC.—The Board shall
20 make recommendations submitted to Congress and
21 the President under this subsection available to the
22 public.''.
23 (c) ADDITIONAL FUNDING.—Section
24 1899A(m)(1)(A) of the Social Security Act, as added by

1 section 3403, is amended by striking ''$15,000,000'' and
2 inserting ''$20,000,000''.
3 (d) RULE OF CONSTRUCTION.—Nothing in the
4 amendments made by this section shall preclude the Inde-
5 pendent Medicare Advisory Board, as etablished under
6 section 1899A of the Social Security Act (as added by sec-
7 tion 3403), from solely using data from public or private
8 sources to carry out the amendments made by subsections
9 (a)(1) and (b).

10 **SEC. 10105. ADDITIONAL PRIORITY FOR THE NATIONAL**
11 **HEALTH CARE WORKFORCE COMMISSION.**

12 Section 5101(d)(4)(A) of this Act is amended by add-
13 ing at the end the following new clause:
14 ''(v) An analysis of, and recommenda-
15 tions for, eliminating the barriers to enter-
16 ing and staying in primary care, including
17 provider compensation.''.

18 Subtitle C—Promoting
19 Accountability and Responsibility

20 **SEC. 10201. HEALTH CARE FRAUD ENFORCEMENT.**

21 Section 1128J(a)(1) of the Social Security Act, as
22 added by section 6402, is amended by adding at the end
23 the following new subparagraph:
24 ''(C) USE OF TECHNOLOGY.—The Sec-
25 retary shall incorporate the use of technologies,

1 including analytics and predictive modeling, as
2 part of the analysis process for the purpose of
3 identifying fraud, abuse, or improper payments
4 prior to the payment of claims. Such analysis
5 technologies shall at a minimum—
6 ''(i) have the capability to detect
7 emerging fraud schemes through the use of
8 automated predictive modeling techniques;
9 and
10 ''(ii) improve the efficiency and effec-
11 tiveness of current fraud and abuse detec-
12 tion methods by incorporating predictive
13 risk scoring techniques that minimize in-
14 vestigations that result in false positive
15 outcomes.''.

16 **SEC. 10202. DEVELOPMENT OF STANDARDS FOR FINANCIAL**
17 **AND ADMINISTRATIVE TRANSACTIONS.**

18 (a) ADDITIONAL TRANSACTION STANDARDS AND OP-
19 ERATING RULES.—
20 (1) DEVELOPMENT OF ADDITIONAL TRANS-
21 ACTION STANDARDS AND OPERATING RULES.—Sec-
22 tion 1173(a) of the Social Security Act (42 U.S.C.
23 1320d–2(a)), as amended by section 1104(b)(2), is
24 amended—

1 (A) in paragraph (1)(B), by inserting be-
2 fore the period the following: '', and subject to
3 the requirements under paragraph (5)''; and
4 (B) by adding at the end the following new
5 paragraph:
6 ''(5) CONSIDERATION OF STANDARDIZATION OF
7 ACTIVITIES AND ITEMS.—
8 ''(A) IN GENERAL.—For purposes of car-
9 rying out paragraph (1)(B), the Secretary shall
10 solicit, not later than January 1, 2012, and not
11 less than every 3 years thereafter, input from
12 entities described in subparagraph (B) on—
13 ''(i) whether there could be greater
14 uniformity in financial and administrative
15 activities and items, as determined appro-
16 priate by the Secretary; and
17 ''(ii) whether such activities should be
18 considered financial and administrative
19 transactions (as described in paragraph
20 (1)(B)) for which the adoption of stand-
21 ards and operating rules would improve
22 the operation of the health care system
23 and reduce administrative costs.

1 "(B) SOLICITATION OF INPUT.—For pur-
2 poses of subparagraph (A), the Secretary shall
3 seek input from—
4 "(i) the National Committee on Vital
5 and Health Statistics, the Health Informa-
6 tion Technology Policy Committee, and the
7 Health Information Technology Standards
8 Committee; and
9 "(ii) standard setting organizations
10 and stakeholders, as determined appro-
11 priate by the Secretary.".
12 (b) ACTIVITIES AND ITEMS FOR INITIAL CONSIDER-
13 ATION.—For purposes of section 1173(a)(5) of the Social
14 Security Act, as added by subsection (a), the Secretary
15 of Health and Human Services (in this section referred
16 to as the "Secretary") shall, not later than January 1,
17 2012, seek input on activities and items relating to the
18 following areas:
19 (1) Whether application forms for enrollment of
20 health care providers by health plans could be stand-
21 ardized.
22 (2) Whether standards and operating rules de-
23 scribed in section 1173 of the Social Security Act
24 should apply to the health care transactions of auto-
25 mobile insurance, worker's compensation, and other

1 programs or persons not described in section
2 1172(a) of such Act (42 U.S.C. 1320d–1(a)).
3 (3) Whether standardized forms could apply to
4 financial audits required by health plans, Federal
5 and State agencies (including State auditors, the Of-
6 fice of the Inspector General of the Department of
7 Health and Human Services, and the Centers for
8 Medicare & Medicaid Services), and other relevant
9 entities as determined appropriate by the Secretary.
10 (4) Whether there could be greater trans-
11 parency and consistency of methodologies and proc-
12 esses used to establish claim edits used by health
13 plans (as described in section 1171(5) of the Social
14 Security Act (42 U.S.C. 1320d(5))).
15 (5) Whether health plans should be required to
16 publish their timeliness of payment rules.
17 (c) ICD CODING CROSSWALKS.—
18 (1) ICD-9 TO ICD-10 CROSSWALK.—The Sec-
19 retary shall task the ICD-9-CM Coordination and
20 Maintenance Committee to convene a meeting, not
21 later than January 1, 2011, to receive input from
22 appropriate stakeholders (including health plans,
23 health care providers, and clinicians) regarding the
24 crosswalk between the Ninth and Tenth Revisions of
25 the International Classification of Diseases (ICD-9

1 and ICD-10, respectively) that is posted on the
2 website of the Centers for Medicare & Medicaid
3 Services, and make recommendations about appro-
4 priate revisions to such crosswalk.
5 (2) REVISION OF CROSSWALK.—For purposes
6 of the crosswalk described in paragraph (1), the Sec-
7 retary shall make appropriate revisions and post any
8 such revised crosswalk on the website of the Centers
9 for Medicare & Medicaid Services.
10 (3) USE OF REVISED CROSSWALK.—For pur-
11 poses of paragraph (2), any revised crosswalk shall
12 be treated as a code set for which a standard has
13 been adopted by the Secretary for purposes of sec-
14 tion 1173(c)(1)(B) of the Social Security Act (42
15 U.S.C. 1320d–2(c)(1)(B)).
16 (4) SUBSEQUENT CROSSWALKS.—For subse-
17 quent revisions of the International Classification of
18 Diseases that are adopted by the Secretary as a
19 standard code set under section 1173(c) of the So-
20 cial Security Act (42 U.S.C. 1320d–2(c)), the Sec-
21 retary shall, after consultation with the appropriate
22 stakeholders, post on the website of the Centers for
23 Medicare & Medicaid Services a crosswalk between
24 the previous and subsequent version of the Inter-

1 national Classification of Diseases not later than the
2 date of implementation of such subsequent revision.