

[DISCUSSION DRAFT]

113TH CONGRESS
2^D SESSION

H. R./S. _____

To amend title XVIII of the Social Security Act to provide for standardized post-acute care assessment data for quality, payment, and discharge planning, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

A BILL

To amend title XVIII of the Social Security Act to provide for standardized post-acute care assessment data for quality, payment, and discharge planning, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Improving Medicare
5 Post-Acute Care Transformation Act of 2014” or the
6 “IMPACT Act of 2014”.

1 **SEC. 2. STANDARDIZATION OF POST-ACUTE CARE DATA.**

2 (a) IN GENERAL.—Title XVIII of the Social Security
3 Act is amended by adding at the end the following new
4 section:

5 **“SEC. 1899B. STANDARDIZED POST-ACUTE CARE (PAC) AS-**
6 **SESSMENT DATA FOR QUALITY, PAYMENT,**
7 **AND DISCHARGE PLANNING.**

8 “(a) REQUIREMENT FOR STANDARDIZED ASSESS-
9 MENT DATA.—

10 “(1) IN GENERAL.—The Secretary shall—

11 “(A) require under the applicable reporting
12 provisions post-acute care providers (as defined
13 in paragraph (2)(A)) and other providers de-
14 scribed in subsection (b)(4) to report standard-
15 ized patient assessment data in accordance with
16 subsection (b) and to require under the applica-
17 ble reporting provisions such post-acute care
18 providers to report data on quality measures
19 under subsection (c)(1) and data on resource
20 use and other measures under subsection
21 (d)(1); and

22 “(B) in accordance with subsection (c)(2),
23 modify PAC assessment instruments (as de-
24 fined in paragraph (2)(B)) applicable to post-
25 acute care providers to—

1 “(i) provide for the submission of
2 standardized patient assessment data
3 under this title with respect to such pro-
4 viders; and

5 “(ii) enable comparison of such as-
6 sessment data across all such providers to
7 whom such data are applicable.

8 “(2) DEFINITIONS.—For purposes of this sec-
9 tion:

10 “(A) POST-ACUTE CARE (PAC) PRO-
11 VIDER.—The terms ‘post-acute care provider’
12 and ‘PAC provider’ mean—

13 “(i) a home health agency;

14 “(ii) a skilled nursing facility;

15 “(iii) an inpatient rehabilitation facil-
16 ity; and

17 “(iv) a long-term care hospital (other
18 than a hospital classified under section
19 1886(d)(1)(B)(iv)(II)).

20 “(B) PAC ASSESSMENT INSTRUMENT.—
21 The term ‘PAC assessment instrument’
22 means—

23 “(i) in the case of home health agen-
24 cies, the instrument used for purposes of
25 reporting and assessment with respect to

1 the Outcome and Assessment Information
2 Set (OASIS), as described in sections
3 484.55 and 484.250 of title 42, the Code
4 of Federal Regulations, or any successor
5 regulation, or any other instrument used
6 with respect to home health agencies for
7 such purposes;

8 “(ii) in the case of skilled nursing fa-
9 cilities, a standard instrument designated
10 by a State under section 1819(b)(3);

11 “(iii) in the case of inpatient rehabili-
12 tation facilities, any patient assessment in-
13 strument established by the Secretary for
14 purposes of section 1886(j); and

15 “(iv) in the case of long-term care
16 hospitals, the patient assessment instru-
17 ment used with respect to such hospitals
18 for the collection of data elements nec-
19 essary to calculate the pressure ulcer
20 measure described in the August 18, 2011,
21 Federal Register (76 Fed. Reg. 51754-
22 51755), including for purposes of section
23 1886(m)(5)(C), or any other instrument
24 used with respect to such hospitals for
25 such purposes.

1 “(C) APPLICABLE REPORTING PROVI-
2 SION.—The term ‘applicable reporting provi-
3 sion’ means—

4 “(i) for home health agencies, section
5 1895(b)(3)(B)(v);

6 “(ii) for skilled nursing facilities, sec-
7 tion 1888(e)(6);

8 “(iii) for inpatient rehabilitation facili-
9 ties, section 1886(j)(7);

10 “(iv) for long-term care hospitals, sec-
11 tion 1886(m)(5);

12 “(v) for subsection (d) hospitals (as
13 defined in section 1886(d)(1)(B)), section
14 1886(b)(3)(B)(viii);

15 “(vi) for critical access hospitals, sec-
16 tion 1814(l)(5); and

17 “(vii) for a hospital described in sec-
18 tion 1886(d)(1)(B)(v), section 1866(k).

19 “(D) PAC PAYMENT SYSTEM.—The term
20 ‘PAC payment system’ means—

21 “(i) with respect to a home health
22 agency, the prospective payment system
23 under section 1895;

1 “(ii) with respect to a skilled nursing
2 facility, the prospective payment system
3 under section 1888(e);

4 “(iii) with respect to an inpatient re-
5 habilitation facility, the prospective pay-
6 ment system under section 1886(j); and

7 “(iv) with respect to a long-term care
8 hospital, the prospective payment system
9 under section 1886(m).

10 “(b) STANDARDIZED PATIENT ASSESSMENT DATA.—

11 “(1) REQUIREMENT FOR REPORTING ASSESS-
12 MENT DATA.—

13 “(A) IN GENERAL.—Beginning not later
14 than October 1, 2018, for PAC providers de-
15 scribed in clauses (ii), (iii), and (iv) of sub-
16 section (a)(2)(A) and not later than January 1,
17 2019, for PAC providers described in clause (i)
18 of such subsection, the Secretary shall require
19 PAC providers to submit to the Secretary,
20 under the applicable reporting provisions and
21 through the use of PAC assessment instru-
22 ments, the standardized patient assessment
23 data described in subparagraph (B). The Sec-
24 retary shall require such data be submitted with
25 respect to admission and discharge of an indi-

1 vidual (and may be submitted more frequently
2 as the Secretary deems appropriate).

3 “(B) STANDARDIZED PATIENT ASSESS-
4 MENT DATA DESCRIBED.—For purposes of sub-
5 paragraph (A), the standardized patient assess-
6 ment data described in this subparagraph is
7 data that is on at least the quality measures de-
8 scribed in subsection (c)(1) and that is with re-
9 spect to the following categories:

10 “(i) Functional status, such as mobil-
11 ity and self care.

12 “(ii) Cognitive function and mental
13 status, such as depression, ability to un-
14 derstand, ability to express ideas, and co-
15 matose.

16 “(iii) Special services, treatments, and
17 interventions, such as need for ventilator
18 use, dialysis, chemotherapy, central line
19 placement, and total parenteral nutrition.

20 “(iv) Medical condition, such as diabe-
21 tes, congestive heart failure, or co-
22 morbidities, such as severe pressure ulcers.

23 “(v) Impairments, such as inconti-
24 nence and an impaired ability to hear, see,
25 or swallow.

1 “(vi) Functioning in the period imme-
2 diately prior to the use of post-acute care
3 services, such as mobility, self care, and
4 history of falls.

5 “(vii) Other categories deemed nec-
6 essary and appropriate by the Secretary.

7 “(2) ALIGNMENT OF CLAIMS DATA WITH
8 STANDARDIZED PATIENT ASSESSMENT DATA.—To
9 the extent practicable, the Secretary shall match
10 claims data with assessment data pursuant to this
11 section for purposes of assessing prior service use
12 and concurrent service use, such as antecedent hos-
13 pital or PAC provider use, and may use such
14 matched data for such other uses as the Secretary
15 determines appropriate.

16 “(3) REPLACEMENT OF CERTAIN EXISTING
17 DATA ELEMENTS.—In the case of patient assessment
18 data being used with respect to a PAC assessment
19 instrument that duplicates or overlaps with stand-
20 ardized patient assessment data within a category
21 described in paragraph (1), the Secretary shall, as
22 soon as practicable, revise or replace such existing
23 data with the standardized data.

1 “(4) ASSESSMENT DATA REQUIREMENTS FOR
2 INPATIENT HOSPITALS AND CRITICAL ACCESS HOS-
3 PITALS.—

4 “(A) IN GENERAL.—Not later than Octo-
5 ber 1, 2018, the Secretary shall require sub-
6 section (d) hospitals (as defined in section
7 1886(d)(1)(B)), hospitals described in section
8 1886(d)(1)(B)(v), and critical access hospitals,
9 under the applicable reporting provisions, to re-
10 port to the Secretary standardized patient as-
11 sessment data with respect to inpatient hospital
12 services furnished by such a hospital or critical
13 access hospital to individuals who are entitled
14 to benefits under part A or, as appropriate, en-
15 rolled for benefits under part B. Under the ap-
16 plicable reporting provisions, each such hospital
17 and critical access hospital shall collect such
18 data, with respect to items and services fur-
19 nished to such an individual admitted to such
20 hospital or critical access hospital, at such
21 times as the Secretary determines necessary,
22 but no less than one time per admission. Such
23 standardized patient assessment data shall be
24 with respect to the following domains:

1 “(i) Medical condition, such as diabe-
2 tes, congestive heart failure, or co-
3 morbidities, such as severe pressure ulcers.

4 “(ii) Functional status, such as mobil-
5 ity and self care.

6 “(iii) Cognitive function and mental
7 status, such as depression, ability to un-
8 derstand, ability to express ideas, and co-
9 matose.

10 “(iv) Living situation and access to
11 caregivers at home.

12 “(v) Other domains so long as they
13 are necessary for assessing patient need
14 for post-acute care services, the resulting
15 quality of care, or developing post-acute
16 care payment models.

17 “(B) ANALYSIS AND REPORT ON ASSESS-
18 MENT DATA REQUIREMENTS.—

19 “(i) ANALYSIS.—The Secretary shall
20 conduct an analysis to determine the most
21 appropriate application of the requirement
22 under subparagraph (A) for purposes of
23 post-acute care assessments.

24 “(ii) REPORT.—Not later than 15
25 months after the date by which the Sec-

1 retary has collected two years of assess-
2 ment data under subparagraph (A), the
3 Secretary shall submit to Congress a re-
4 port on the analysis conducted under
5 clause (i). Such report shall, taking into
6 account provider burden, patient acuity,
7 and appropriateness of assessments for in-
8 dividuals not discharged from a hospital or
9 critical access hospital described in sub-
10 paragraph (A) to a PAC provider, include
11 recommendations on—

12 “(I) the extent to which, under
13 such subparagraph, domains or stand-
14 ardized patient assessment data re-
15 quired to be submitted with respect to
16 such domains should be added, modi-
17 fied, narrowed, or removed regardless
18 of type of patient;

19 “(II) the extent to which, under
20 such subparagraph, domains or stand-
21 ardized patient assessment data re-
22 quired to be submitted with respect to
23 such domains should be reduced or
24 eliminated for certain types of individ-
25 uals, such as lower acuity individuals

1 or individuals not needing services
2 from a PAC provider; and

3 “(III) the extent to which, under
4 such subparagraph, domains or stand-
5 ardzied patient assessment data re-
6 quired to be submitted with respect to
7 such domains should be expanded for
8 certain types of individuals, such as
9 higher acuity individuals or individ-
10 uals needing services from a PAC pro-
11 vider.

12 “(5) ALIGNMENT WITH PART B THERAPY DATA
13 ELEMENTS.—To the extent practicable, the Sec-
14 retary shall align the standardized patient assess-
15 ment data under this section and the patient assess-
16 ment data collected for outpatient therapy services
17 under part B.

18 “(c) QUALITY MEASURES.—

19 “(1) REQUIREMENT FOR REPORTING QUALITY
20 MEASURES.—Not later than October 1, 2016, for
21 PAC providers described in clauses (ii), (iii), and (iv)
22 of subsection (a)(2)(A) and not later than January
23 1, 2017, for PAC providers described in clause (i) of
24 such subsection, the Secretary shall specify quality
25 measures on which PAC providers are required

1 under the applicable reporting provisions to submit
2 standardized patient assessment data described in
3 subsection (b)(1) and other necessary data specified
4 by the Secretary. Such measures shall be with re-
5 spect to at least the following domains:

6 “(A) Functional status and changes in
7 function.

8 “(B) Skin integrity and changes in skin in-
9 tegrity.

10 “(C) Medication reconciliation.

11 “(D) Incidence of major falls.

12 “(E) Accurately communicating the exist-
13 ence of and providing for the transfer of health
14 information and care preferences when an indi-
15 vidual transitions—

16 “(i) from a hospital or critical access
17 hospital to another applicable setting, in-
18 cluding a PAC provider or the home of the
19 individual; or

20 “(ii) from a PAC provider to another
21 applicable setting, including a different
22 PAC provider, a hospital, a critical access
23 hospital, or the home of the individual.

24 “(2) REPORTING THROUGH PAC INSTRU-
25 MENTS.—To the extent possible, the Secretary shall

1 require such reporting by a PAC provider of quality
2 measures under paragraph (1) through the use of a
3 PAC assessment instrument and shall modify such
4 PAC assessment instrument as necessary to enable
5 the use of such instrument with respect to such
6 quality measures. If the Secretary is not able to
7 modify such PAC assessment instrument to enable
8 the use, beginning October 1, 2016, for PAC pro-
9 viders described in clauses (ii), (iii), and (iv) of sub-
10 section (a)(2)(A) and not later than January 1,
11 2017, for PAC providers described in clause (i) of
12 such subsection, of such instrument with respect to
13 such quality measures, then the Secretary shall re-
14 quire the use of an alternative data submission
15 mechanism with respect to such quality measures.

16 “(3) ADJUSTMENTS.—The Secretary shall con-
17 sider applying adjustments to the quality measures
18 taking into consideration the studies under section
19 2(d) of the IMPACT Act of 2014.

20 “(d) RESOURCE USE AND OTHER MEASURES.—

21 “(1) REQUIREMENT FOR RESOURCE USE AND
22 OTHER MEASURES.—Not later than October 1,
23 2016, for PAC providers described in clauses (ii),
24 (iii), and (iv) of subsection (a)(2)(A) and not later
25 than January 1, 2017, for PAC providers described

1 in clause (i) of such subsection, the Secretary shall
2 specify resource use and other measures on which
3 PAC providers are required under the applicable re-
4 porting provisions to submit any necessary data
5 specified by the Secretary, which may include stand-
6 ardized assessment data in addition to claims data.
7 Such measures shall be with respect to at least the
8 following domains:

9 “(A) Efficiency measures, including total
10 estimated Medicare spending per beneficiary.

11 “(B) Discharge to community.

12 “(C) Risk adjusted hospitalization rates of
13 potentially preventable admissions and readmis-
14 sions, which may include predictive models.

15 “(2) ALIGNING METHODOLOGY ADJUST-
16 MENTS.—

17 “(A) LENGTH OF EPISODE.—With respect
18 to the length of an episode, the Secretary shall,
19 to the extent the Secretary determines appro-
20 priate, align resource use and other measures
21 specified under this subsection with respect to
22 the domain described in paragraph (1)(A) with
23 the methodology used for purposes of section
24 1886(o)(2)(B)(ii).

1 “(B) GEOGRAPHIC AND OTHER ADJUST-
2 MENTS.—The Secretary shall standardize meas-
3 ures with respect to the domain described in
4 paragraph (1)(A) for geographic payment rate
5 differences and payment differentials (and other
6 adjustments, as applicable) consistent with the
7 methodology published in the Federal Register
8 on August 18, 2011 (76 Fed. Reg. 51624
9 through 51626).

10 “(C) MEDICARE SPENDING PER BENE-
11 FICIARY.—The Secretary shall adjust measures
12 with respect to the domain described in para-
13 graph (1)(A) for the factors applied under sec-
14 tion 1886(o)(2)(B)(ii).

15 “(3) ADJUSTMENTS.—The Secretary shall con-
16 sider applying adjustments to the resource use and
17 other measures specified under this subsection with
18 respect to the domain described in paragraph (1)(A),
19 taking into consideration the studies under section
20 2(d) of the IMPACT Act of 2014.

21 “(e) WAIVERS FOR QUALITY MEASURES AND RE-
22 SOURCE USE AND OTHER MEASURES.—

23 “(1) CONSENSUS-BASED ENTITY.—

24 “(A) IN GENERAL.—Subject to subpara-
25 graph (B), each measure specified by the Sec-

1 retary under this section shall be endorsed by
2 the entity with a contract under section
3 1890(a).

4 “(B) EXCEPTION.—In the case of a speci-
5 fied area or medical topic determined appro-
6 priate by the Secretary for which a feasible and
7 practical measure has not been endorsed by the
8 entity with a contract under section 1890(a),
9 the Secretary may specify a measure that is not
10 so endorsed as long as due consideration is
11 given to measures that have been endorsed or
12 adopted by a consensus organization identified
13 by the Secretary.

14 “(2) OPTIONAL APPLICATION OF PRE-RULE-
15 MAKING PROCESS (WAIVER OF MEASURE APPLICA-
16 TION PARTNERSHIP PROCESS).—The application of
17 the provisions of section 1890A shall be optional in
18 the case of a quality measure specified under sub-
19 section (c) or a resource use or other measure speci-
20 fied under subsection (d) that is—

21 “(A) with respect to a domain described in
22 any of the clauses (A) through (E) of sub-
23 section (c)(1) or a domain described in any of
24 the subparagraphs (A) through (C) of sub-
25 section (d)(1), respectively; and

1 “(B) required with respect to data submis-
2 sions under the applicable reporting provisions
3 by October 1, 2016, for PAC providers de-
4 scribed in clauses (ii), (iii), and (iv) of sub-
5 section (a)(2)(A) or by January 1, 2017, for
6 PAC providers described in clause (i) of such
7 subsection.

8 “(f) FEEDBACK REPORTS TO PAC PROVIDERS.—Be-
9 ginning October 1, 2017, for PAC providers described in
10 clauses (ii), (iii), and (iv) of subsection (a)(2)(A) and Jan-
11 uary 1, 2018, for PAC providers described in clause (i)
12 of such subsection, the Secretary, through a process con-
13 sistent with the process applied under section 1886(o) for
14 similar purposes shall provide confidential feedback re-
15 ports to PAC providers on the performance of such pro-
16 viders with respect to measures required under the appli-
17 cable provisions, including quality measures and resource
18 use and other measures under this section.

19 “(g) PUBLIC REPORTING OF PAC PROVIDER PER-
20 FORMANCE.—

21 “(1) IN GENERAL.—Subject to the succeeding
22 paragraphs of this subsection, the Secretary shall es-
23 tablish procedures for making available to the public
24 information regarding the performance of individual
25 PAC providers with respect to the quality measures

1 under subsection (c)(1) and the resource use and
2 other measures under subsection (d)(1).

3 “(2) OPPORTUNITY TO REVIEW.—The proce-
4 dures under paragraph (1) shall ensure that a PAC
5 provider has the opportunity to review and submit
6 corrections to the data and information that is to be
7 made public with respect to the provider prior to
8 such data being made public.

9 “(3) TIMING.—Such procedures shall provide
10 that the data and information described in para-
11 graph (1) is made publicly available beginning not
12 later than—

13 “(A) October 1, 2018, in the case of PAC
14 providers described in clauses (ii), (iii), and (iv)
15 of subsection (a)(2)(A); and

16 “(B) January 1, 2019, in the case of PAC
17 providers described in clause (i) of such sub-
18 section.

19 “(4) COORDINATION WITH EXISTING PRO-
20 GRAMS.—Such procedures shall provide that data
21 and information described in paragraph (1) with re-
22 spect to quality measures and resource use and
23 other measures under subsections (c)(1) and (d)(1)
24 shall be made publicly available consistent with the
25 following provisions:

1 “(A) In the case of home health agencies,
2 section 1895(b)(3)(B)(v)(III).

3 “(B) In the case of skilled nursing facili-
4 ties, section 1919(i).

5 “(C) In the case of inpatient rehabilitation
6 facilities, section 1886(j)(7)(E).

7 “(D) In the case of long-term care hos-
8 pitals, section 1886(m)(5)(E).

9 “(h) REMOVING OR ADDING MEASURES.—

10 “(1) IN GENERAL.—The Secretary may remove
11 or add a quality measure or resource use or other
12 measure described in subsection (c)(1) or (d)(1), so
13 long as, subject to paragraph (2), the Secretary pub-
14 lishes in the Federal Register a justification for such
15 removal or addition.

16 “(2) EXCEPTION.—In the case of such a quality
17 measure or resource use or other measure that
18 causes significant patient harm, the Secretary may
19 remove such measure without publishing in the Fed-
20 eral Register a justification for such removal.

21 “(i) USE OF STANDARDIZED ASSESSMENT DATA,
22 QUALITY MEASURES, AND RESOURCE USE AND OTHER
23 MEASURES TO INFORM DISCHARGE PLANNING AND IN-
24 CORPORATE PATIENT PREFERENCE.—Not later than Jan-
25 uary 1, 2016, and periodically thereafter (but not less fre-

1 quently than once every 5 years), the Secretary shall pro-
2 mulgate regulations to modify conditions of participation
3 and subsequent interpretive guidance applicable to PAC
4 providers and providers described in subsection (b)(4) in
5 order to encourage such providers to take into account
6 data required to be submitted on measures under the ap-
7 plicable reporting provisions (which, as available, shall in-
8 clude standardized patient assessment data under sub-
9 section (b), data on the measures specified under sub-
10 sections (c) and (d), and data on other relevant measures)
11 applicable to potential providers and settings to which a
12 patient may be discharged to assist such PAC providers,
13 such providers described in subsection (b)(4), individuals
14 entitled to benefits under part A or, as appropriate, en-
15 rolled under part B, and families of such individuals with
16 discharge planning from inpatient settings and from PAC
17 provider settings. Such regulations shall include proce-
18 dures to address patient treatment preferences and pa-
19 tient goals of care and may be used to help inform dis-
20 charge planning.

21 “(j) FUNDING.—For purposes of carrying out this
22 section, the Secretary shall provide for the transfer to the
23 Centers for Medicare & Medicaid Services Program Man-
24 agement Account, from the Federal Hospital Insurance
25 Trust Fund under section 1817 and the Federal Supple-

1 mentary Medical Insurance Trust Fund under section
2 1841, in such proportion as the Secretary determines ap-
3 propriate, of \$200,000,000. Fifty percent of such amount
4 shall be available on the date of the enactment of this sec-
5 tion and fifty percent of such amount shall be equally pro-
6 portioned for each of fiscal years 2015 through 2019.
7 Such sums shall remain available until expended.

8 “(k) LIMITATION.—There shall be no administrative
9 or judicial review under section 1889B or otherwise of the
10 specification of standardized patient assessment data re-
11 quired under this section or the systems to report such
12 standardized data.

13 “(l) NON-APPLICATION OF PAPERWORK REDUCTION
14 ACT.—Chapter 35 of title 44, United States Code (com-
15 monly referred to as the ‘Paperwork Reduction Act of
16 1995’) shall not apply to this section.”.

17 (b) STUDIES OF ALTERNATIVE PAC PAYMENT MOD-
18 ELS.—

19 (1) MEDPAC.—Using data from the Post-
20 Acute Payment Reform Demonstration authorized
21 under section 5008 of the Deficit Reduction Act of
22 2005 (Public Law 109-171), not later than June 30,
23 2016, the Medicare Payment Advisory Commission
24 shall submit to Congress a report that evaluates and
25 recommends features of PAC payment systems (as

1 defined in section 1899B(a)(2)(D) of the Social Se-
2 curity Act, as added by subsection (a)) that estab-
3 lish, or a unified post-acute care payment system
4 under title XVIII of the Social Security Act that es-
5 tablishes, payment rates according to individual
6 characteristics (such as cognitive ability, functional
7 status, and impairments) instead of according to the
8 post-acute care setting where the patient is treated.

9 (2) RECOMMENDATIONS FOR PAC PROSPECTIVE
10 PAYMENT.—

11 (A) REPORT BY SECRETARY.—Not later
12 than 2 years after the date by which the Sec-
13 retary of Health and Human Services has col-
14 lected 2 years of data on quality measures
15 under subsection (c) of section 1899B, as added
16 by subsection (a), the Secretary shall, in con-
17 sultation with the Medicare Payment Advisory
18 Commission and appropriate stakeholders, sub-
19 mit to Congress a report, including rec-
20 ommendations and a technical prototype, on a
21 post-acute care prospective payment system
22 under title XVIII of the Social Security Act
23 that would—

24 (i) in lieu of the rates that would oth-
25 erwise apply under PAC payments systems

1 (as defined in subsection (a)(2)(D) of such
2 section 1899B), base payments under such
3 title, with respect to items and services
4 furnished to an individual by a PAC pro-
5 vider (as defined in subsection (a)(2)(A) of
6 such section), according to individual char-
7 acteristics (such as cognitive ability, func-
8 tional status, and impairments) of such in-
9 dividual instead of the post-acute care set-
10 ting in which the individual is furnished
11 such items and services;

12 (ii) account for the clinical appro-
13 priateness of items and services so fur-
14 nished and patient outcomes; and

15 (iii) be designed to incorporate (or
16 otherwise account for) standardized patient
17 assessment data under section 1899B.

18 (B) REPORT BY MEDPAC.—Not later than
19 the first June 30th following the date on which
20 the report is required under subparagraph (A),
21 the Medicare Payment Advisory Commission
22 shall submit to Congress a report, including
23 recommendations and a technical prototype, on
24 a post-acute care prospective payment system
25 under title XVIII of the Social Security Act

1 that would satisfy the criteria described in
2 clauses (i) and (ii) of subparagraph (A).

3 (c) PAYMENT CONSEQUENCES UNDER THE APPLICA-
4 BLE REPORTING PROVISIONS.—

5 (1) HOME HEALTH AGENCIES.—Section
6 1895(b)(3)(B)(v)(II) of the Social Security Act (42
7 U.S.C. 1395fff(b)(3)(B)(v)(II)) is amended by in-
8 serting after the first sentence the following new
9 sentences: “For 2017 and each subsequent year,
10 such data required to be submitted under this sub-
11 clause shall include data on the quality measures
12 under subsection (c)(1) of section 1899B and any
13 necessary data specified by the Secretary under sub-
14 section (d)(1) of such section. For 2019 and each
15 subsequent year, in addition to such data described
16 in the previous sentences, each home health agency
17 shall submit to the Secretary standardized patient
18 assessment data required under subsection (b)(1) of
19 section 1899B. To the extent such standardized data
20 under subsection (b)(1) of such section, data on
21 quality measures required under subsection (c)(1) of
22 such section, or necessary data required under sub-
23 section (d)(1) of such section are duplicative of any
24 other data required to be reported under this sub-
25 clause, the submission of such standardized data,

1 data on such quality measures, or necessary data,
2 respectively, shall be required under this subclause
3 in lieu of the submission of such other data.”.

4 (2) INPATIENT REHABILITATION FACILITIES.—
5 Section 1886(j)(7)(C) of the Social Security Act (42
6 U.S.C. 1395ww(j)(7)(C)) is amended by inserting
7 after the first sentence the following new sentences:
8 “For fiscal year 2017 and each subsequent fiscal
9 year, in addition to such data on such quality meas-
10 ures, each rehabilitation facility shall submit to the
11 Secretary data on the quality measures under sub-
12 section (c)(1) of section 1899B and any necessary
13 data specified by the Secretary under subsection
14 (d)(1) of such section. For fiscal year 2019 and each
15 subsequent fiscal year, in addition to such data de-
16 scribed in the previous sentences, each rehabilitation
17 facility shall submit to the Secretary standardized
18 patient assessment data required under subsection
19 (b)(1) of section 1899B. To the extent such stand-
20 ardized data under subsection (b)(1) of such section,
21 data on quality measures required under subsection
22 (c)(1) of such section, or necessary data required
23 under subsection (d)(1) of such section are duplica-
24 tive of any other data required to be reported under
25 this subparagraph, the submission of such standard-

1 ized data, data on such quality measures, or nec-
2 essary data, respectively, shall be required under this
3 subparagraph in lieu of the submission of such other
4 data.”

5 (3) LONG-TERM CARE HOSPITALS.—Section
6 1886(m)(5)(C) of the Social Security Act (42 U.S.C.
7 1395ww(m)(5)(C)) is amended by inserting after the
8 first sentence the following new sentences: “For rate
9 year 2017 and each subsequent rate year, in addi-
10 tion to such data on such quality measures, each
11 long-term care hospital (other than a hospital classi-
12 fied under subsection (b)(3)(B)(iv)(II)) shall submit
13 to the Secretary data on the quality measures under
14 subsection (c)(1) of section 1899B and any nec-
15 essary data specified by the Secretary under sub-
16 section (d)(1) of such section. For rate year 2019
17 and each subsequent rate year, in addition to such
18 data described in the previous sentences, each long-
19 term care hospital (other than a hospital classified
20 under subsection (b)(3)(B)(iv)(II)) shall submit to
21 the Secretary standardized patient assessment data
22 required under subsection (b)(1) of section 1899B.
23 To the extent such standardized data under sub-
24 section (b)(1) of such section, data on quality meas-
25 ures required under subsection (c)(1) of such sec-

1 tion, or necessary data required under subsection
2 (d)(1) of such section are duplicative of any other
3 data required to be reported under this subpara-
4 graph, the submission of such standardized data,
5 data on such quality measures, or necessary data,
6 respectively, shall be required under this subpara-
7 graph in lieu of the submission of such other data.”

8 (4) SKILLED NURSING FACILITIES.—Paragraph
9 (6) of section 1888(e) of the Social Security Act is
10 amended to read as follows:

11 “(6) REPORTING OF ASSESSMENT AND QUALITY
12 DATA.—

13 “(A) REDUCTION IN UPDATE FOR FAILURE
14 TO REPORT.—

15 “(i) IN GENERAL.—For fiscal years
16 beginning on or after October 1, 2016, in
17 the case of a skilled nursing facility that
18 does not submit, in accordance with sub-
19 paragraph (B) with respect to such a fiscal
20 year, data on the quality measures speci-
21 fied under subsection (c)(1) of section
22 1899B, any necessary data specified by the
23 Secretary under subsection (d)(1) of such
24 section, and (for fiscal years beginning on
25 or after October 1, 2018) standardized pa-

1 tient assessment data specified under sub-
2 section (b)(1) of such section, after deter-
3 mining the percentage described in para-
4 graph (5)(B)(i), and after application of
5 paragraph (5)(B)(ii), the Secretary shall
6 reduce such percentage for payment rates
7 during such fiscal year by 2 percentage
8 points.

9 “(ii) SPECIAL RULE.—The application
10 of this subparagraph may result in the per-
11 centage described in paragraph (5)(B)(i),
12 after application of paragraph (5)(B)(ii),
13 being less than 0.0 for a fiscal year, and
14 may result in payment rates under this
15 subsection for a fiscal year being less than
16 such payment rates for the preceding fiscal
17 year.

18 “(iii) NONCUMULATIVE APPLICA-
19 TION.—Any reduction under clause (i)
20 shall apply only with respect to the fiscal
21 year involved and the Secretary shall not
22 take into account such reduction in com-
23 puting the payment amount under this
24 subsection for a subsequent fiscal year.

25 “(B) ASSESSMENT AND MEASURE DATA.—

1 “(i) IN GENERAL.—A skilled nursing
2 facility, or a facility described in paragraph
3 (7)(B), shall submit to the Secretary, in a
4 manner and within the timeframes pre-
5 scribed by the Secretary—

6 “(I) the resident assessment data
7 necessary to develop and implement
8 the rates under this subsection;

9 “(II) for fiscal years beginning
10 on or after October 1, 2016, data on
11 the quality measures under subsection
12 (c)(1) of section 1899B and any nec-
13 essary data specified by the Secretary
14 under subsection (d)(1) of such sec-
15 tion; and

16 “(III) for fiscal years beginning
17 on or after October 1, 2018, stand-
18 ardized patient assessment data re-
19 quired under subsection (b)(1) of sec-
20 tion 1899B.

21 To the extent such standardized data
22 under subsection (b)(1) of such section,
23 data on quality measures required under
24 subsection (c)(1) of such section, or nec-
25 essary data required under subsection

1 (d)(1) of such section are duplicative of
2 any other data required to be reported
3 under this subparagraph, the submission of
4 such standardized data, data on such qual-
5 ity measures, or necessary data, respec-
6 tively, shall be required under this sub-
7 paragraph in lieu of the submission of such
8 other data.

9 “(ii) USE OF STANDARD INSTRU-
10 MENT.—For purposes of meeting the re-
11 quirement under clause (i), a skilled nurs-
12 ing facility, or a facility described in para-
13 graph (7)(B), may submit the resident as-
14 sessment data required under section
15 1819(b)(3), using the standard instrument
16 designated by the State under section
17 1819(e)(5).”.

18 (5) SUBSECTION (D) HOSPITALS.—Section
19 1886(b)(3)(B)(viii) of the Social Security Act (42
20 U.S.C. 1395ww(b)(3)(B)(viii)) is amended by adding
21 at the end the following new subclause:

22 “(XII) Effective for payments beginning
23 with fiscal year 2019, in addition to data other-
24 wise required to be submitted on measures se-
25 lected under this clause, the Secretary shall re-

1 quire to be submitted the standardized patient
2 assessment data required under subsection
3 (b)(4) of section 1899B. To the extent such
4 standardized data are duplicative of any other
5 data required to be reported under this clause,
6 the submission of such standardized data shall
7 be required under this clause in lieu of the sub-
8 mission of such other data.”.

9 (6) CRITICAL ACCESS HOSPITALS.—Section
10 1814(l) of the Social Security Act (42 U.S.C.
11 1395f(l)) is amended—

12 (A) by redesignating paragraph (5) as
13 paragraph (6); and

14 (B) by inserting after paragraph (4) the
15 following new paragraph:

16 “(5)(A) For cost reporting periods beginning in
17 fiscal year 2019 or a subsequent fiscal year, in the
18 case of a critical access hospital that does not sub-
19 mit to the Secretary, in accordance with subpara-
20 graph (B), standardized patient assessment data re-
21 quired under subsection (b)(4) of section 1899B
22 with respect to such a fiscal year, paragraph (1)
23 shall be applied to such critical access hospital for
24 such fiscal year by reducing the percent described in
25 such paragraph (determined without regard to para-

1 graph (4)) by 2 percentage points. Such reduction
2 shall apply only with respect to the fiscal year in-
3 volved and the Secretary shall not take into account
4 such reduction in computing the payment amount
5 under this subsection for a subsequent fiscal year.

6 “(B) A critical access hospital shall submit to
7 the Secretary, in a manner and within the time-
8 frames prescribed by the Secretary, standardized pa-
9 tient assessment data required under subsection
10 (b)(4) of section 1899B. To the extent such stand-
11 ardized data are duplicative of any other data re-
12 quired to be reported under this subsection, the sub-
13 mission of such standardized data shall be required
14 under this subsection in lieu of the submission of
15 such other data.

16 “(C) The Secretary shall establish procedures
17 for making data submitted under subparagraph (B)
18 available to the public. Such procedures shall ensure
19 that a critical access hospital has the opportunity to
20 review the data that is to be made public with re-
21 spect to the facility prior to such data being made
22 public. The Secretary shall report such standardized
23 patient assessment data that relate to services fur-
24 nished in inpatient settings in critical access hos-

1 pitals on the Internet website of the Centers for
2 Medicare & Medicaid Services.”.

3 (7) PPS-EXEMPT CANCER HOSPITALS.—

4 (A) IN GENERAL.—Section 1866(k) of the
5 Social Security Act (42 U.S.C. 1395cc(k)) is
6 amended—

7 (i) by striking paragraph (2) and in-
8 serting the following:

9 “(2) SUBMISSION OF DATA.—

10 “(A) IN GENERAL.—For fiscal year 2014
11 and each subsequent fiscal year, each hospital
12 described in such section shall submit to the
13 Secretary data on quality measures specified
14 under paragraph (3). For fiscal year 2019 and
15 each subsequent fiscal year, in addition to such
16 data on quality measures, each hospital de-
17 scribed in such section shall submit to the Sec-
18 retary standardized patient assessment data re-
19 quired under subsection (b)(4) of section
20 1899B. To the extent such standardized data
21 are duplicative of any other data required to be
22 reported under this subsection, the submission
23 of such standardized data shall be required
24 under this subsection in lieu of the submission
25 of such other data.

1 “(B) ADMINISTRATION.—Data required
2 under subparagraph (A) shall be submitted in
3 a form and manner, and at a time, specified by
4 the Secretary for purposes of this subsection.”;

5 (ii) in paragraph (4), by striking
6 “paragraph (4)” and inserting “paragraph
7 (2)”; and

8 (iii) by adding at the end the fol-
9 lowing new paragraph:

10 “(5) REDUCTION FOR FAILURE TO REPORT
11 STANDARDIZED PATIENT ASSESSMENT DATA.—For
12 fiscal year 2019 or a subsequent fiscal year, in the
13 case of a hospital described in section
14 1886(d)(1)(B)(v) that does not submit to the Sec-
15 retary, in accordance with paragraph (2), standard-
16 ized patient assessment data required under sub-
17 section (b)(4) of section 1899B with respect to such
18 fiscal year, the applicable percentage increase under
19 subparagraph (B)(ii) of section 1886(b)(3) otherwise
20 applicable to such hospital for purposes of subpara-
21 graph (E) of such section for such fiscal year shall
22 be reduced by 2 percentage points. Such reduction
23 shall apply only with respect to the fiscal year in-
24 volved and the Secretary shall not take into account

1 such reduction in computing the payment amount
2 under section 1886(b) for a subsequent fiscal year.”.

3 (B) CONFORMING AMENDMENT.—Section
4 1886(b)(3)(B)(ii)(VIII) of the Social Security
5 Act (42 U.S.C. 1395ww(b)(3)(B)(ii)(VIII)) is
6 amended by inserting “subject to section
7 1866(k)(5),” before “subsequent fiscal years”.

8 (d) IMPROVING PAYMENT ACCURACY UNDER THE
9 PAC PAYMENT SYSTEMS AND OTHER MEDICARE PAY-
10 MENT SYSTEMS.—

11 (1) STUDIES AND REPORTS OF EFFECT OF CER-
12 TAIN INFORMATION ON QUALITY AND RESOURCE
13 USE.—

14 (A) STUDY USING EXISTING MEDICARE
15 DATA.—

16 (i) STUDY.—The Secretary of Health
17 and Human Services (in this subsection re-
18 ferred to as the “Secretary”) shall conduct
19 a study that examines the effect of individ-
20 uals’ socioeconomic status on quality meas-
21 ures and resource use and other measures
22 for individuals under the Medicare pro-
23 gram under title XVIII of the Social Secu-
24 rity Act (such as to recognize that less
25 healthy individuals may require more in-

1 tensive interventions). The study shall use
2 information collected on such individuals in
3 carrying out such program, such as urban
4 and rural location, eligibility for Medicaid
5 under title XIX of such Act (recognizing
6 and accounting for varying Medicaid eligi-
7 bility across States), and eligibility for ben-
8 efits under the supplemental security in-
9 come (SSI) program. The Secretary shall
10 carry out this paragraph acting through
11 the Assistant Secretary for Planning and
12 Evaluation.

13 (ii) REPORT.—Not later than 2 years
14 after the date of the enactment of this Act,
15 the Secretary shall submit to Congress a
16 report on the study conducted under clause
17 (i).

18 (B) STUDY USING OTHER DATA.—

19 (i) STUDY.—The Secretary shall con-
20 duct a study that examines the impact of
21 risk factors, such as those described in sec-
22 tion 1848(p)(3) of the Social Security Act
23 (42 U.S.C. 1395w-4(p)(3)), race, health
24 literacy, limited English proficiency (LEP),
25 and patient activation, on quality measures

1 and resource use and other measures
2 under the Medicare program (such as to
3 recognize that less healthy individuals may
4 require more intensive interventions). In
5 conducting such study the Secretary may
6 use existing Federal data and collect such
7 additional data as may be necessary to
8 complete the study.

9 (ii) REPORT.—Not later than 5 years
10 after the date of the enactment of this Act,
11 the Secretary shall submit to Congress a
12 report on the study conducted under clause
13 (i).

14 (C) EXAMINATION OF DATA IN CON-
15 DUCTING STUDIES.—In conducting the studies
16 under subparagraphs (A) and (B), the Sec-
17 retary shall examine what non-Medicare data
18 sets, such as data from the American Commu-
19 nity Survey (ACS), can be useful in conducting
20 the types of studies under such paragraphs and
21 how such data sets that are identified as useful
22 can be coordinated with Medicare administra-
23 tive data in order to improve the overall data
24 set available to do such studies and for the ad-
25 ministration of the Medicare program.

1 (D) RECOMMENDATIONS TO ACCOUNT FOR
2 INFORMATION IN PAYMENT ADJUSTMENT
3 MECHANISMS.—If the studies conducted under
4 subparagraphs (A) and (B) find a relationship
5 between the factors examined in the studies and
6 quality measures and resource use and other
7 measures, then the Secretary shall also provide
8 recommendations for how the Centers for Medi-
9 care & Medicaid Services should—

10 (i) obtain access to the necessary data
11 (if such data is not already being collected)
12 on such factors, including recommenda-
13 tions on how to address barriers to the
14 Centers in accessing such data; and

15 (ii) account for such factors in speci-
16 fying quality measures and resource use
17 and other measures under subsections (c)
18 and (d) of section 1899B of the Social Se-
19 curity Act, as added by subsection (a),
20 and, as the Secretary determines appro-
21 priate, other similar provisions of, includ-
22 ing payment adjustments under, title
23 XVIII of such Act.

24 (E) FUNDING.—There are hereby appro-
25 priated to the Secretary from the Federal Hos-

1 pital Insurance Trust Fund under section 1817
2 and the Federal Supplementary Medical Insur-
3 ance Trust Fund under section 1841 (in pro-
4 portions determined appropriate by the Sec-
5 retary) to carry out this paragraph \$6,000,000,
6 to remain available until expended.

7 (2) CMS ACTIVITIES.—

8 (A) IN GENERAL.—Taking into account
9 the relevant studies conducted and rec-
10 ommendations made in reports under para-
11 graph (1) and other information as appropriate,
12 the Secretary, on an ongoing basis, shall, as the
13 Secretary determines appropriate, estimate how
14 an individual’s health status and other risk fac-
15 tors affect quality measures and resource use
16 and other measures, including for purposes of
17 incorporating such factors into such measures
18 (including measures specified in subsections (c)
19 and (d) of section 1899B of the Social Security
20 Act, as added by subsection (a)), and, as the
21 Secretary determines appropriate, incorporating
22 such factors into other similar provisions of, in-
23 cluding payment adjustments under, title XVIII
24 of such Act.

1 (B) ACCESSING DATA.—The Secretary
2 shall collect or otherwise obtain access to the
3 data necessary to carry out this paragraph
4 through existing and new data sources.

5 (C) PERIODIC ANALYSES.—The Secretary
6 shall carry out periodic analyses, at least every
7 3 years, based on the factors referred to in sub-
8 paragraph (A) so as to monitor changes in pos-
9 sible relationships.

10 (D) FUNDING.—There are hereby appro-
11 priated to the Secretary from the Federal Hos-
12 pital Insurance Trust Fund under section 1817
13 and the Federal Supplementary Medical Insur-
14 ance Trust Fund under section 1841 (in pro-
15 portions determined appropriate by the Sec-
16 retary) to carry out this paragraph
17 \$10,000,000, to remain available until ex-
18 pended.

19 (3) STRATEGIC PLAN FOR ACCESSING RACE
20 AND ETHNICITY DATA.—Not later than 18 months
21 after the date of the enactment of this Act, the Sec-
22 retary shall develop and report to Congress on a
23 strategic plan for collecting or otherwise accessing
24 data on race and ethnicity for purposes of specifying
25 quality measures and resource use and other meas-

1 ures under subsections (c) and (d) of section 1899B
2 of the Social Security Act, as added by subsection
3 (a), and, as the Secretary determines appropriate,
4 other similar provision of, including payment adjust-
5 ments under, title XVIII of such Act.