

**[DISCUSSION DRAFT]**

1 **TITLE \_\_\_\_\_—MEDICARE POST-**  
2 **ACUTE REFORM PROPOSALS**  
3 **(JUNE 14 HEARING)**

4 **SEC. \_\_0. LISTING OF PROPOSALS.**

5 The following are Medicare post-acute reform pro-  
6 posals included in this draft:

Sec. \_\_0. Listing of proposals.

Sec. \_\_1. PAC market basket cuts.

Sec. \_\_2. Site neutral payment for certain medical conditions treated in inpa-  
tient rehabilitation facilities.

Sec. \_\_3. Revising inpatient rehabilitation facility classification criteria by ap-  
plying a 75 percent rule.

Sec. \_\_4. Skilled nursing facility readmissions reduction program.

Sec. \_\_5. Post-acute care (PAC) bundle prospective payment system.

7 **SEC. \_\_1. PAC MARKET BASKET CUTS.**

8 (a) REVISION OF HOME HEALTH MARKET BASKET  
9 UPDATES FOR FISCAL YEARS 2014 THROUGH 2023.—  
10 Section 1895(b)(3)(B)(ii) of the Social Security Act (42  
11 U.S.C. 1395fff(b)(3)(B)(ii)) is amended—

12 (1) by striking “and” at the end of subclause  
13 (IV);

14 (2) in subclause (V)—

15 (A) by inserting “(before 2014)” after  
16 “any subsequent year”; and

17 (B) by striking the period at the end and  
18 inserting a semicolon; and

1           (3) by adding at the end the following new sub-  
2           clauses:

3                           “(VI) each fiscal year beginning  
4                           with 2014 and ending with 2023, the  
5                           home health market basket percentage  
6                           increase minus 1.1 percentage points,  
7                           but in no case less than zero; and

8                           “(VII) any subsequent year, the  
9                           home health market basket percentage  
10                          increase.”.

11           (b) REVISION OF SKILLED NURSING FACILITY MAR-  
12           KET BASKET UPDATES FOR FISCAL YEARS 2014  
13           THROUGH 2023.—Section 1888(e)(5)(B)(ii) of the Social  
14           Security Act (42 U.S.C. 1395yy(e)(5)(B)(ii)) is amended  
15           by striking “the Secretary shall reduce” and inserting  
16           “the Secretary shall first (for each of fiscal years 2014  
17           through 2013) reduce such percentage by 1.1 percentage  
18           points (but in no case to less than zero), and then shall  
19           further reduce”.

20           (c) REVISION OF INPATIENT REHABILITATION FA-  
21           CILITY PERCENTAGE INCREASE FOR FISCAL YEARS 2014  
22           THROUGH 2023.—Section 1886(j)(3)(C)(i) of the Social  
23           Security Act (42 U.S.C. 1395ww(j)(3)(C)(i)) is amended  
24           by adding at the end the following new sentence: “The  
25           increase factor to be applied under this subparagraph for

1 each of fiscal years 2014 through 2023 shall be reduced  
2 by 1.1 percentage points, but in no case to less than  
3 zero.”.

4 (d) REVISION OF LONG-TERM CARE HOSPITAL MAR-  
5 KET BASKET UPDATES FOR RATE YEARS 2014 THROUGH  
6 2023.—Section 1886(m) of the Social Security Act (42  
7 U.S.C. 1395ww(m)) is amended—

8 (1) in paragraph (3)(A), by striking “, shall be  
9 reduced” and inserting “shall first be reduced (for  
10 each of rate years 2014 through 2023) by 1.1 per-  
11 centage points (but in no case to less than zero) and  
12 then shall be further reduced”; and

13 (2) by adding at the end the following new  
14 paragraph:

15 “(6) USE OF TERMINOLOGY.—In this sub-  
16 section and with respect to discharges occurring on  
17 or after October 1, 2010, the term ‘rate year’ means  
18 fiscal year.”.

19 **SEC. 2. SITE NEUTRAL PAYMENT FOR CERTAIN MEDICAL**  
20 **CONDITIONS TREATED IN INPATIENT REHA-**  
21 **BILITATION FACILITIES.**

22 Section 1886(j) of the Social Security Act (42 U.S.C.  
23 1395ww(j)) is amended—

24 (1) in paragraph (8)—

1 (A) in subparagraph (C), by striking  
2 “and” at the end;

3 (B) in subparagraph (D), by striking the  
4 period at the end and inserting “, and”; and

5 (C) by adding at the end the following new  
6 subparagraph:

7 “(E) modified standardized payment  
8 amounts under paragraph (8).”;

9 (2) by redesignating paragraph (8) as para-  
10 graph (9); and

11 (3) by inserting after paragraph (7) the fol-  
12 lowing new paragraph:

13 “(8) SPECIAL PAYMENT RULE FOR CERTAIN  
14 MEDICAL CONDITIONS.—

15 “(A) APPLICATION OF SITE NEUTRAL PAY-  
16 MENT RATES IN CERTAIN CASES.—

17 “(i) IN GENERAL.—Subject to clause  
18 (ii), in the case of discharges occurring on  
19 or after October 1, 2013, in lieu of the  
20 payment amount (as determined pursuant  
21 to the preceding provisions of this sub-  
22 section) that would otherwise be applicable  
23 under this subsection, other than para-  
24 graph (7), the Secretary shall substitute,  
25 for payment units with respect to an appli-

1 cable medical condition (as defined in sub-  
2 paragraph (D)(i)) that is treated in an in-  
3 patient rehabilitation facility, the modified  
4 standardized payment amount determined  
5 under subparagraph (B), as adjusted  
6 under subparagraph (C).

7 “(ii) LIMITATION.—The provisions of  
8 this paragraph shall not apply to the pay-  
9 ment for an applicable medical condition if  
10 such application would result in an in-  
11 crease in the payment amount that would  
12 otherwise apply to such condition under  
13 this subsection (determined without regard  
14 to this paragraph).

15 “(B) MODIFIED PAYMENT AMOUNT.—

16 “(i) IN GENERAL.—The modified  
17 standardized amount determined under  
18 this subparagraph for an applicable med-  
19 ical condition shall be based on the sum of  
20 the following:

21 “(I) An amount equal to the av-  
22 erage per stay skilled nursing facility  
23 payment rate for the applicable med-  
24 ical condition (as determined under  
25 clause (ii)).

1                   “(II) An amount equal to 25 per-  
2                   cent of the difference between the  
3                   overhead costs (as defined in subpara-  
4                   graph (D)(ii)) component of the aver-  
5                   age inpatient rehabilitation facility per  
6                   stay payment amount for the applica-  
7                   ble medical condition (as determined  
8                   under the preceding paragraphs of  
9                   this subsection) and the overhead  
10                  costs component of the average per  
11                  stay skilled nursing facility payment  
12                  rate for such condition (as determined  
13                  under clause (ii)).

14                  “(III) An amount equal to 33  
15                  percent of the difference between the  
16                  patient care costs (as defined in sub-  
17                  paragraph (D)(iii)) component of the  
18                  average inpatient rehabilitation facil-  
19                  ity per stay payment amount for the  
20                  applicable medical condition (as deter-  
21                  mined under the preceding para-  
22                  graphs of this subsection) and the pa-  
23                  tient care costs component of the av-  
24                  erage per stay skilled nursing facility

1 payment rate for such condition (as  
2 determined under clause (ii)).

3 “(ii) METHODOLOGY.—For purposes  
4 of clause (i) only, the Secretary shall de-  
5 velop and implement a methodology to con-  
6 vert skilled nursing facility payment rates  
7 for applicable medical conditions, as deter-  
8 mined under section 1888(e), to average  
9 per-stay skilled nursing facility payment  
10 rates for each such condition that reflect a  
11 recent rebasing or recalculation of such  
12 rates based on the most recently available  
13 information on skilled nursing facility use  
14 and costs.

15 “(C) ADJUSTMENTS.—

16 “(i) APPLICATION OF IRF ADJUST-  
17 MENTS.—The Secretary shall adjust the  
18 amount determined under subparagraph  
19 (B) for an applicable medical condition  
20 using the adjustments to the prospective  
21 payment rates for inpatient rehabilitation  
22 facilities described in paragraphs (2), (3),  
23 (4), and (6).

24 “(ii) UPDATE FOR INFLATION.—Ex-  
25 cept in the case of a fiscal year for which

1 the Secretary rebases the amounts deter-  
2 mined under subparagraph (B) for applica-  
3 ble medical conditions pursuant to clause  
4 (iii), the Secretary shall annually update  
5 the amounts determined under subpara-  
6 graph (B) for each applicable medical con-  
7 dition by the increase factor for inpatient  
8 rehabilitation facilities (as described in  
9 paragraph (3)(C)).

10 “(iii) REBASING.—The Secretary shall  
11 periodically (but in no case less than once  
12 every 5 years) rebase the amounts deter-  
13 mined under subparagraph (B) for applica-  
14 ble medical conditions using the method-  
15 ology described in such clause (ii) of such  
16 subparagraph and the most recent and  
17 complete cost report and claims data avail-  
18 able. At the same time as such rebasing,  
19 for purposes of computing amounts in sub-  
20 subparagraph (B), the Secretary shall also  
21 rebase the average inpatient rehabilitation  
22 facility payment amounts as otherwise de-  
23 termined in this subsection.

24 “(D) DEFINITIONS.—In this paragraph:

1                   “(i) APPLICABLE MEDICAL CONDI-  
2                   TION.—The term ‘applicable medical condi-  
3                   tion’ means—

4                               “(I) unilateral knee replacement;

5                               “(II) unilateral hip replacement;

6                               “(III) unilateral hip fracture; and

7                               “(IV) other conditions as deter-  
8                   mined by the Secretary.

9                   “(ii) OVERHEAD COSTS.—The term  
10                   ‘overhead costs’ means, with respect to in-  
11                   patient rehabilitation facilities and skilled  
12                   nursing facilities, those Medicare-allowable  
13                   costs that are contained in the General  
14                   Service cost centers of the Medicare cost  
15                   reports for inpatient rehabilitation facilities  
16                   and for skilled nursing facilities, respec-  
17                   tively, as determined by the Secretary.

18                   “(iii) PATIENT CARE COSTS.—The  
19                   term ‘patient care costs’ means total Medi-  
20                   care-allowable costs minus overhead  
21                   costs.”.

1 **SEC. \_\_3. REVISING INPATIENT REHABILITATION FACILITY**  
2 **CLASSIFICATION CRITERIA BY APPLYING A 75**  
3 **PERCENT RULE.**

4 (a) IN GENERAL.—Section 5005(a) of the Deficit Re-  
5 duction Act of 2005 (Public Law 109–171; 42 U.S.C.  
6 1395ww note), as amended by section 115(b) of the Medi-  
7 care, Medicaid, and SCHIP Extension Act of 2007 (Public  
8 Law 110–173), is amended by striking “the 60 percent  
9 compliance rate that became effective for cost reporting  
10 periods beginning on or after July 1, 2006” and inserting  
11 “75 percent”.

12 (b) EFFECTIVE DATE.—The amendment made by  
13 subsection (a) shall apply for cost reporting periods begin-  
14 ning on or after October 1, 2013.

15 **SEC. \_\_4. SKILLED NURSING FACILITY READMISSIONS RE-**  
16 **DUCTION PROGRAM.**

17 Section 1888 of the Social Security Act (42 U.S.C.  
18 1395yy) is amended by adding at the end the following  
19 new subsection:

20 “(g) SKILLED NURSING FACILITY READMISSIONS  
21 REDUCTION PROGRAM.—

22 “(1) IN GENERAL.—With respect to per diem  
23 payments for each day of covered skilled nursing  
24 services (as defined in subsection (e)(2)(A)) fur-  
25 nished by a skilled nursing facility occurring during  
26 a fiscal year beginning on or after October 1, 2017,

1 in order to account for excess readmissions to a hos-  
2 pital for individuals who received such services from  
3 a skilled nursing facility, the Secretary shall adjust  
4 payments in an amount equal to the product of—

5 “(A) the per diem amount (as defined in  
6 paragraph (2)) for the facility for the fiscal  
7 year; and

8 “(B) the adjustment factor (described in  
9 paragraph (3)(A)) for the facility and fiscal  
10 year.

11 “(2) PER DIEM AMOUNT DEFINED.—The term  
12 ‘per diem amount’ means, with respect to a skilled  
13 nursing facility for a fiscal year, the unadjusted  
14 Federal per diem rate that would otherwise be made  
15 under subsection (e) if this subsection did not apply.

16 “(3) ADJUSTMENT FACTOR.—

17 “(A) IN GENERAL.—For purposes of para-  
18 graph (1), the adjustment factor under this  
19 paragraph for a skilled nursing facility for a fis-  
20 cal year is equal to the greater of—

21 “(i) the ratio described in subpara-  
22 graph (B) for the skilled nursing facility  
23 for the applicable period (as defined in  
24 paragraph (5)(C)) for such fiscal year; or

1                   “(ii) the floor adjustment factor speci-  
2                   fied in subparagraph (C).

3                   “(B) RATIO.—The ratio described in this  
4                   subparagraph for a skilled nursing facility for  
5                   an applicable period is equal to 1 minus the  
6                   ratio of—

7                   “(i) the aggregate payments for ex-  
8                   cess readmissions (as defined in paragraph  
9                   (4)(A)) to all applicable hospitals for the  
10                  applicable period; and

11                  “(ii) the aggregate payments to the  
12                  skilled nursing facility for such applicable  
13                  period.

14                  “(C) FLOOR ADJUSTMENT FACTOR.—For  
15                  purposes of subparagraph (A), the floor adjust-  
16                  ment factor specified in this subparagraph is  
17                  0.97.

18                  “(4) AGGREGATE PAYMENTS FOR EXCESS RE-  
19                  ADMISSIONS.—For purposes of this subsection:

20                  “(A) AGGREGATE PAYMENTS FOR EXCESS  
21                  READMISSIONS.—The term ‘aggregate payments  
22                  for excess readmissions’ means, for an applica-  
23                  ble period for a skilled nursing facility, the sum  
24                  for applicable conditions (as defined in para-

1 graph (5)(A)) of the product for each applicable  
2 condition for all applicable hospitals of—

3 “(i) the inpatient hospital payment  
4 (as defined in subparagraph (B)) for the  
5 applicable hospital involved; and

6 “(ii) the number of admissions for  
7 such condition in cases where an individual  
8 received services furnished by a skilled  
9 nursing facility during such applicable pe-  
10 riod and was subsequently admitted to the  
11 applicable hospital within a period specified  
12 by the Secretary.

13 “(B) INPATIENT HOSPITAL PAYMENT.—  
14 The term ‘inpatient hospital payment’ means  
15 the payment amount made to a hospital under  
16 this title for inpatient hospital services (as de-  
17 fined in section 1861(b)) for such applicable pe-  
18 riod for an applicable condition.

19 “(5) DEFINITIONS.—For purposes of this sub-  
20 section:

21 “(A) APPLICABLE CONDITION.—The term  
22 ‘applicable condition’ means a condition or pro-  
23 cedure or a set of conditions and procedures se-  
24 lected by the Secretary that are used in the

1 hospital readmissions program under section  
2 1886(q).

3 “(B) APPLICABLE PERIOD.—The term ‘ap-  
4 plicable period’ means, with respect to a fiscal  
5 year, such period as the Secretary shall specify.

6 “(C) READMISSION.—The term ‘readmis-  
7 sion’ means an admission of an individual to an  
8 applicable hospital from a skilled nursing facil-  
9 ity in cases in which that individual has pre-  
10 viously been discharged from an applicable hos-  
11 pital within a period specified by the Secretary.

12 “(D) APPLICABLE HOSPITAL.—The term  
13 ‘applicable hospital’ means a hospital described  
14 in section 1886(q)(5)(C).

15 “(6) REPORTING SKILLED NURSING FACILITY  
16 SPECIFIC INFORMATION.—

17 “(A) IN GENERAL.—The Secretary shall  
18 make information available to the public re-  
19 garding readmission rates of each skilled nurs-  
20 ing facility.

21 “(B) OPPORTUNITY TO REVIEW AND SUB-  
22 MIT CORRECTIONS.—The Secretary shall ensure  
23 that a skilled nursing facility has the oppor-  
24 tunity to review, and submit corrections for, the  
25 information used to determine the readmissions

1 rates to be made public with respect to the  
2 skilled nursing facility under subparagraph (A)  
3 before such information is made public.

4 “(C) WEBSITE.—Such information shall be  
5 posted on the Skilled Nursing Facility Compare  
6 Internet website in an easily understandable  
7 format.

8 “(7) LIMITATIONS ON REVIEW.—There shall be  
9 no administrative or judicial review under section  
10 1869, section 1878, or otherwise of the following:

11 “(A) The determination of the inpatient  
12 hospital payment amount.

13 “(B) The methodology for determining the  
14 adjustment factor under paragraph (3), includ-  
15 ing aggregate payments for excess readmissions  
16 under paragraph (4)(A), and aggregate pay-  
17 ments to the skilled nursing facility under para-  
18 graph (3)(B), and applicable periods and appli-  
19 cable conditions determined under paragraph  
20 (5).

21 “(C) The measures of readmissions as de-  
22 scribed in paragraph (5)(C).”.

1 **SEC. 5. POST-ACUTE CARE (PAC) BUNDLE PROSPECTIVE**  
2 **PAYMENT SYSTEM.**

3 Title XVIII of the Social Security Act is amended by  
4 adding at the end the following new section:

5 “POST-ACUTE CARE (PAC) BUNDLE PROSPECTIVE  
6 PAYMENT SYSTEM

7 “SEC. 1899B. (a) ESTABLISHMENT OF SYSTEM.—

8 “(1) IN GENERAL.—The Secretary shall estab-  
9 lish a prospective payment system (in this section re-  
10 ferred to as the ‘PAC payment system’) for payment  
11 under parts A and B for bundles of post-acute care  
12 services (as defined in subsection (b), in this section  
13 referred to as ‘PAC bundles’) provided to a PAC  
14 beneficiary (as defined in subsection (b)(1)) after a  
15 hospitalization in order to improve the coordination,  
16 quality, and efficiency of health care services under  
17 such parts. Payment for PAC services under the  
18 PAC payment system supercedes the payments that  
19 would otherwise be made for such services under  
20 such parts.

21 “(2) IMPLEMENTATION.—

22 “(A) IN GENERAL.—The PAC payment  
23 system shall be established to be applied to  
24 services furnished in fiscal years beginning with  
25 fiscal year 2018.

1           “(B) TRANSITION.—In implementing the  
2           PAC payment system, the Secretary may pro-  
3           vide for a transition during which a portion of  
4           such payment is based on the payment system  
5           in effect for PAC services without regard to this  
6           section, but only if such transition does not re-  
7           sult in aggregate payments under this title that  
8           exceed the aggregate payments that would be  
9           made if such a transition did not occur.

10           “(3) USE OF RESULTS OF PILOT PROGRAMS  
11           AND INITIATIVES.— In developing the PAC payment  
12           system, the Secretary shall take into account the re-  
13           sults of—

14                   “(A) pilot programs conducted under sec-  
15                   tion 1886D; and

16                   “(B) the ‘Bundled Payments for Care Im-  
17                   provement Initiative (BPCI)’ that is being ad-  
18                   ministered, as of the date of the enactment of  
19                   this section, through the Center for Medicare  
20                   and Medicaid Innovation.

21           “(b) DEFINITIONS.—In this section:

22                   “(1) PAC BENEFICIARY.—The term ‘PAC ben-  
23                   eficiary’ means an individual who—

24                           “(A) is entitled to, or enrolled for, benefits  
25                           under part A and enrolled for benefits under

1 part B, but not enrolled under part C or a  
2 PACE program under section 1894; and

3 “(B) is admitted to a hospital for a PAC  
4 condition.

5 “(2) PAC CONDITION.—The term ‘PAC condi-  
6 tion’ means such conditions as the Secretary shall  
7 specify consistent with satisfying the requirement of  
8 subsection (e)(5). In specifying such conditions, the  
9 Secretary shall give priority to the conditions that  
10 were made available under the initiative referred to  
11 in subsection (a)(3)(B).

12 “(3) POST-ACUTE CARE SERVICES; PAC SERV-  
13 ICES.—The terms ‘post-acute care services’ and  
14 ‘PAC services’ mean the following:

15 “(A) Acute care inpatient services.

16 “(B) Physicians’ services delivered in and  
17 outside of an acute care hospital setting.

18 “(C) Outpatient hospital services, including  
19 emergency department services.

20 “(D) Post-acute care, including home  
21 health services, skilled nursing services, inpa-  
22 tient rehabilitation services, and inpatient hos-  
23 pital services furnished by a long-term care hos-  
24 pital.

1           “(E) Other services the Secretary deter-  
2           mines appropriate.

3           “(4) POST-ACUTE CARE PROVIDER; PAC PRO-  
4           VIDER.—The terms ‘post-acute care provider’ and  
5           ‘PAC provider’ mean each of the following:

6           “(A) A home health agency.

7           “(B) A skilled nursing facility.

8           “(C) A rehabilitation facility.

9           “(D) A long-term care hospital.

10          “(5) PAC BUNDLE PERIOD.—The term ‘PAC  
11          bundle period’ means, with respect to a PAC bundle  
12          for treatment of a PAC condition, a period specified  
13          by the Secretary for such bundle and condition.

14          “(c) PAYMENT METHODOLOGY.—The PAC payment  
15          system shall be designed consistent with the following:

16          “(1) PAYMENT BASED ON PAC BUNDLES AND  
17          PAC BUNDLE PERIODS.—Payment shall be made  
18          under the system—

19                 “(A) for a PAC bundle consisting of com-  
20                 prehensive PAC services for treatment of a  
21                 PAC condition covering a PAC bundle period;  
22                 and

23                 “(B) to the PAC provider that initially  
24                 provides services after the hospitalization de-  
25                 scribed in subsection (b)(1)(B).

1           “(2) ADJUSTMENTS TO BUNDLED PAYMENT.—

2           In establishing the payment amount for a PAC bun-  
3           dle, the Secretary may consider the number, type,  
4           and duration of visits provided during the PAC bun-  
5           dle period, the mix of services provided within that  
6           bundle and period and their cost, and patient char-  
7           acteristics and other factors that are designed to  
8           take into account variations in treatment costs with-  
9           in a PAC bundle.

10           “(3) ESTABLISHMENT OF BASE PAYMENT

11           RATES TO PRODUCE SAVINGS.—The payment rates  
12           established for PAC bundles shall be set to yield, in  
13           the aggregate, a reduction in the spending otherwise  
14           made for PAC services included in such bundles over  
15           the 3-fiscal-year period beginning with fiscal year  
16           2018 of 2.85 percent. The payment rates established  
17           for PAC bundles for such period shall form the basis  
18           for the payment rates to be used in succeeding fiscal  
19           years.

20           “(4) ANNUAL UPDATES.—The payment rates

21           for PAC bundles shall be updated each fiscal year  
22           based on a market basket of the PAC services in-  
23           cluded within PAC bundles.

24           “(5) COVERAGE OF 50 PERCENT OF TOTAL PAY-

25           MENTS.—The PAC conditions and PAC bundles, col-

1 lectively, shall be selected by the Secretary in a man-  
2 ner so that payment for at least 50 percent of all  
3 PAC services provided under this title during each  
4 fiscal year are made under the PAC payment sys-  
5 tem.

6 “(6) ROLE OF INITIAL PAC PROVIDER.—The  
7 initial PAC provider described in subparagraph  
8 (A)(ii) shall be responsible for furnishing (or direct-  
9 ing the furnishing) of PAC services included in the  
10 PAC bundle.

11 “(d) ACTUARIALY EQUIVALENT BENEFICIARY  
12 COST-SHARING.—With respect to a PAC bundle under  
13 this section, the Secretary shall establish a level of bene-  
14 ficiary cost-sharing (which may be in the form of coinsur-  
15 ance or a copayment) that is actuarially equivalent to the  
16 aggregate levels of coinsurance that would have applied  
17 to such the PAC services included in the bundle if this  
18 section did not apply and that shall supersede any bene-  
19 ficiary coinsurance or copayments (but not deductibles)  
20 otherwise applicable under this title with respect to such  
21 services.

22 “(e) APPLICATION OF QUALITY MEASURES.—

23 “(1) IN GENERAL.—The Secretary shall estab-  
24 lish quality measures (including quality measures of  
25 process, outcome, and structure) related to care pro-

1 vided by PAC providers and paid under the PAC  
2 payment system. Quality measures established under  
3 this paragraph shall include measures of the fol-  
4 lowing:

5 “(A) Functional status improvement.

6 “(B) Reducing rates of avoidable hospital  
7 readmissions.

8 “(C) Rates of discharge to the community.

9 “(D) Rates of admission to an emergency  
10 room after a hospitalization.

11 “(E) Incidence of health care acquired in-  
12 fections.

13 “(F) Efficiency measures.

14 “(G) Measures of patient-centeredness of  
15 care.

16 “(H) Measures of patient perception of  
17 care.

18 “(I) Other measures, including measures  
19 of patient outcomes, determined appropriate by  
20 the Secretary.

21 “(2) APPLICATION OF CURRENT MEASURES.—

22 In establishing such measures, the Secretary shall  
23 take into account the quality measures established  
24 under section 1886D(c)(4) as well as (to the extent  
25 determined to be applicable) quality measures de-

1 scribed in sections 1895(b)(3)(B)(v)(II), 1819(i),  
2 1886(j)(7), and 1886(m)(5).

3 “(3) REPORTING ON QUALITY MEASURES.—

4 “(A) IN GENERAL.—A PAC provider shall  
5 submit data to the Secretary on quality meas-  
6 ures established under this subsection during  
7 each fiscal year of its participation under this  
8 section, beginning with fiscal year 2018, in a  
9 form and manner specified by the Secretary  
10 subject to subparagraph (B).

11 “(B) SUBMISSION OF DATA THROUGH  
12 ELECTRONIC HEALTH RECORD.—To the extent  
13 practicable, the Secretary shall specify that  
14 data on measures be submitted under subpara-  
15 graph (A) through the use of a qualified elec-  
16 tronic health record (as defined in section  
17 3000(13) of the Public Health Service Act) in  
18 a manner specified by the Secretary.

19 “(C) PUBLIC AVAILABILITY OF DATA SUB-  
20 MITTED.—

21 “(i) PROCEDURES.—The Secretary  
22 shall establish procedures for making the  
23 data on measures submitted under this  
24 paragraph available to the public.

1                   “(ii) POSTING ON CMS WEBSITE.—

2                   Under such procedures, the Secretary shall  
3                   include on the Internet website of the Cen-  
4                   ters for Medicare & Medicaid Services data  
5                   on quality measures that relate to PAC  
6                   services in PAC bundles furnished by PAC  
7                   providers.

8                   “(iii) PROVIDER OPPORTUNITY TO RE-  
9                   VIEW DATA BEING MADE PUBLIC.—Such  
10                  procedures shall ensure that a PAC pro-  
11                  vider has the opportunity to review the  
12                  data that are to be made public with re-  
13                  spect to that provider before such data are  
14                  made available to the public.

15                  “(f) WAIVER.—The Secretary may waive such provi-  
16                  sions of this title and title XI as may be necessary to carry  
17                  out this section.

18                  “(g) INDEPENDENT EVALUATION AND REPORTS.—

19                         “(1) INDEPENDENT EVALUATION.—The Sec-  
20                         retary shall conduct an independent evaluation of  
21                         the PAC payment system, including the extent to  
22                         which the system has—

23                                 “(A) improved results on quality measures  
24                                 established under subsection (e)(1);

25                                 “(B) improved health outcomes;

1                   “(C) improved PAC beneficiary access to  
2                   care; and

3                   “(D) reduced spending under this title.

4                   “(2) REPORTS.—

5                   “(A) INTERIM REPORT.—Not later than 2  
6                   years after the date of initial implementation of  
7                   the PAC payment system, the Secretary shall  
8                   submit to Congress a report on the initial re-  
9                   sults of the independent evaluation conducted  
10                  under paragraph (1).

11                  “(B) FINAL REPORT.—Not later than 3  
12                  years after the date of initial implementation of  
13                  such system, the Secretary shall submit to Con-  
14                  gress a report on the final results of the inde-  
15                  pendent evaluation conducted under paragraph  
16                  (1).”.