

113TH CONGRESS
2^D SESSION

H. R. 4994

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17 (legislative day, SEPTEMBER 16), 2014

Received

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

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

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

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

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

12 “(a) REQUIREMENT FOR STANDARDIZED ASSESS-
13 MENT DATA.—

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

15 “(A) require under the applicable reporting
16 provisions post-acute care providers (as defined
17 in paragraph (2)(A)) to report—

18 “(i) standardized patient assessment
19 data in accordance with subsection (b);

20 “(ii) data on quality measures under
21 subsection (c)(1); and

22 “(iii) data on resource use and other
23 measures under subsection (d)(1);

24 “(B) require data described in subpara-
25 graph (A) to be standardized and interoperable
26 so as to allow for the exchange of such data

1 among such post-acute care providers and other
2 providers and the use by such providers of such
3 data that has been so exchanged, including by
4 using common standards and definitions, in
5 order to provide access to longitudinal informa-
6 tion for such providers to facilitate coordinated
7 care and improved Medicare beneficiary out-
8 comes; and

9 “(C) in accordance with subsections (b)(1)
10 and (c)(2), modify PAC assessment instruments
11 (as defined in paragraph (2)(B)) applicable to
12 post-acute care providers to—

13 “(i) provide for the submission of
14 standardized patient assessment data
15 under this title with respect to such pro-
16 viders; and

17 “(ii) enable comparison of such as-
18 sessment data across all such providers to
19 whom such data are applicable.

20 “(2) DEFINITIONS.—For purposes of this sec-
21 tion:

22 “(A) POST-ACUTE CARE (PAC) PRO-
23 VIDER.—The terms ‘post-acute care provider’
24 and ‘PAC provider’ mean—

25 “(i) a home health agency;

1 “(ii) a skilled nursing facility;

2 “(iii) an inpatient rehabilitation facil-
3 ity; and

4 “(iv) a long-term care hospital (other
5 than a hospital classified under section
6 1886(d)(1)(B)(iv)(II)).

7 “(B) PAC ASSESSMENT INSTRUMENT.—

8 The term ‘PAC assessment instrument’
9 means—

10 “(i) in the case of home health agen-
11 cies, the instrument used for purposes of
12 reporting and assessment with respect to
13 the Outcome and Assessment Information
14 Set (OASIS), as described in sections
15 484.55 and 484.250 of title 42, the Code
16 of Federal Regulations, or any successor
17 regulation, or any other instrument used
18 with respect to home health agencies for
19 such purposes;

20 “(ii) in the case of skilled nursing fa-
21 cilities, the resident’s assessment under
22 section 1819(b)(3);

23 “(iii) in the case of inpatient rehabili-
24 tation facilities, any Medicare beneficiary
25 assessment instrument established by the

1 Secretary for purposes of section 1886(j);
2 and

3 “(iv) in the case of long-term care
4 hospitals, the Medicare beneficiary assess-
5 ment instrument used with respect to such
6 hospitals for the collection of data elements
7 necessary to calculate quality measures as
8 described in the August 18, 2011, Federal
9 Register (76 Fed. Reg. 51754–51755), in-
10 cluding for purposes of section
11 1886(m)(5)(C), or any other instrument
12 used with respect to such hospitals for as-
13 sessment purposes.

14 “(C) APPLICABLE REPORTING PROVI-
15 SION.—The term ‘applicable reporting provi-
16 sion’ means—

17 “(i) for home health agencies, section
18 1895(b)(3)(B)(v);

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

21 “(iii) for inpatient rehabilitation facili-
22 ties, section 1886(j)(7); and

23 “(iv) for long-term care hospitals, sec-
24 tion 1886(m)(5).

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

3 “(i) with respect to a home health
4 agency, the prospective payment system
5 under section 1895;

6 “(ii) with respect to a skilled nursing
7 facility, the prospective payment system
8 under section 1888(e);

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

12 “(iv) with respect to a long-term care
13 hospital, the prospective payment system
14 under section 1886(m).

15 “(E) SPECIFIED APPLICATION DATE.—The
16 term ‘specified application date’ means the fol-
17 lowing:

18 “(i) QUALITY MEASURES.—In the
19 case of quality measures under subsection
20 (c)(1)—

21 “(I) with respect to the domain
22 described in subsection (c)(1)(A) (re-
23 lating to functional status, cognitive
24 function, and changes in function and
25 cognitive function)—

1 “(aa) for PAC providers de-
2 scribed in clauses (ii) and (iii) of
3 paragraph (2)(A), October 1,
4 2016;

5 “(bb) for PAC providers de-
6 scribed in clause (iv) of such
7 paragraph, October 1, 2018; and

8 “(cc) for PAC providers de-
9 scribed in clause (i) of such para-
10 graph, January 1, 2019;

11 “(II) with respect to the domain
12 described in subsection (c)(1)(B) (re-
13 lating to skin integrity and changes in
14 skin integrity)—

15 “(aa) for PAC providers de-
16 scribed in clauses (ii), (iii), and
17 (iv) of paragraph (2)(A), October
18 1, 2016; and

19 “(bb) for PAC providers de-
20 scribed in clause (i) of such para-
21 graph, January 1, 2017;

22 “(III) with respect to the domain
23 described in subsection (c)(1)(C) (re-
24 lating to medication reconciliation)—

1 “(aa) for PAC providers de-
2 scribed in clause (i) of such para-
3 graph, January 1, 2017; and

4 “(bb) for PAC providers de-
5 scribed in clauses (ii), (iii), and
6 (iv) of such paragraph, October
7 1, 2018;

8 “(IV) with respect to the domain
9 described in subsection (c)(1)(D) (re-
10 lating to incidence of major falls)—

11 “(aa) for PAC providers de-
12 scribed in clauses (ii), (iii), and
13 (iv) of paragraph (2)(A), October
14 1, 2016; and

15 “(bb) for PAC providers de-
16 scribed in clause (i) of such para-
17 graph, January 1, 2019; and

18 “(V) with respect to the domain
19 described in subsection (c)(1)(E) (re-
20 lating to accurately communicating
21 the existence of and providing for the
22 transfer of health information and
23 care preferences)—

24 “(aa) for PAC providers de-
25 scribed in clauses (ii), (iii), and

1 (iv) of paragraph (2)(A), October
2 1, 2018; and

3 “(bb) for PAC providers de-
4 scribed in clause (i) of such para-
5 graph, January 1, 2019.

6 “(ii) RESOURCE USE AND OTHER
7 MEASURES.—In the case of resource use
8 and other measures under subsection
9 (d)(1)—

10 “(I) for PAC providers described
11 in clauses (ii), (iii), and (iv) of para-
12 graph (2)(A), October 1, 2016; and

13 “(II) for PAC providers de-
14 scribed in clause (i) of such para-
15 graph, January 1, 2017.

16 “(F) MEDICARE BENEFICIARY.—The term
17 ‘Medicare beneficiary’ means an individual enti-
18 tled to benefits under part A or, as appropriate,
19 enrolled for benefits under part B.

20 “(b) STANDARDIZED PATIENT ASSESSMENT DATA.—

21 “(1) REQUIREMENT FOR REPORTING ASSESS-
22 MENT DATA.—

23 “(A) IN GENERAL.—Beginning not later
24 than October 1, 2018, for PAC providers de-
25 scribed in clauses (ii), (iii), and (iv) of sub-

1 section (a)(2)(A) and January 1, 2019, for
2 PAC providers described in clause (i) of such
3 subsection, the Secretary shall require PAC
4 providers to submit to the Secretary, under the
5 applicable reporting provisions and through the
6 use of PAC assessment instruments, the stand-
7 arized patient assessment data described in
8 subparagraph (B). The Secretary shall require
9 such data be submitted with respect to admis-
10 sion and discharge of an individual (and may be
11 submitted more frequently as the Secretary
12 deems appropriate).

13 “(B) STANDARDIZED PATIENT ASSESS-
14 MENT DATA DESCRIBED.—For purposes of sub-
15 paragraph (A), the standardized patient assess-
16 ment data described in this subparagraph is
17 data required for at least the quality measures
18 described in subsection (c)(1) and that is with
19 respect to the following categories:

20 “(i) Functional status, such as mobil-
21 ity and self care at admission to a PAC
22 provider and before discharge from a PAC
23 provider.

24 “(ii) Cognitive function, such as abil-
25 ity to express ideas and to understand, and

1 mental status, such as depression and de-
2 mentia.

3 “(iii) Special services, treatments, and
4 interventions, such as need for ventilator
5 use, dialysis, chemotherapy, central line
6 placement, and total parenteral nutrition.

7 “(iv) Medical conditions and co-
8 morbidities, such as diabetes, congestive
9 heart failure, and pressure ulcers.

10 “(v) Impairments, such as inconti-
11 nence and an impaired ability to hear, see,
12 or swallow.

13 “(vi) Other categories deemed nec-
14 essary and appropriate by the Secretary.

15 “(2) ALIGNMENT OF CLAIMS DATA WITH
16 STANDARDIZED PATIENT ASSESSMENT DATA.—To
17 the extent practicable, not later than October 1,
18 2018, for PAC providers described in clauses (ii),
19 (iii), and (iv) of subsection (a)(2)(A), and January
20 1, 2019, for PAC providers described in clause (i) of
21 such subsection, the Secretary shall match claims
22 data with assessment data pursuant to this section
23 for purposes of assessing prior service use and con-
24 current service use, such as antecedent hospital or
25 PAC provider use, and may use such matched data

1 for such other uses as the Secretary determines ap-
2 propriate.

3 “(3) REPLACEMENT OF CERTAIN EXISTING
4 DATA.—In the case of patient assessment data being
5 used with respect to a PAC assessment instrument
6 that duplicates or overlaps with standardized patient
7 assessment data within a category described in para-
8 graph (1), the Secretary shall, as soon as prac-
9 ticable, revise or replace such existing data with the
10 standardized data.

11 “(4) CLARIFICATION.—Standardized patient as-
12 sessment data submitted pursuant to this subsection
13 shall not be used to require individuals to be pro-
14 vided post-acute care by a specific type of PAC pro-
15 vider in order for such care to be eligible for pay-
16 ment under this title.

17 “(c) QUALITY MEASURES.—

18 “(1) REQUIREMENT FOR REPORTING QUALITY
19 MEASURES.—Not later than the specified application
20 date, as applicable to measures and PAC providers,
21 the Secretary shall specify quality measures on
22 which PAC providers are required under the applica-
23 ble reporting provisions to submit standardized pa-
24 tient assessment data described in subsection (b)(1)
25 and other necessary data specified by the Secretary.

1 Such measures shall be with respect to at least the
2 following domains:

3 “(A) Functional status, cognitive function,
4 and changes in function and cognitive function.

5 “(B) Skin integrity and changes in skin in-
6 tegrity.

7 “(C) Medication reconciliation.

8 “(D) Incidence of major falls.

9 “(E) Accurately communicating the exist-
10 ence of and providing for the transfer of health
11 information and care preferences of an indi-
12 vidual to the individual, family caregiver of the
13 individual, and providers of services furnishing
14 items and services to the individual, when the
15 individual 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 ASSESSMENT
25 INSTRUMENTS.—

1 “(A) IN GENERAL.—To the extent pos-
2 sible, the Secretary shall require such reporting
3 by a PAC provider of quality measures under
4 paragraph (1) through the use of a PAC assess-
5 ment instrument and shall modify such PAC
6 assessment instrument as necessary to enable
7 the use of such instrument with respect to such
8 quality measures.

9 “(B) LIMITATION.—The Secretary may
10 not make significant modifications to a PAC as-
11 sessment instrument more than once per cal-
12 endar year or fiscal year, as applicable, unless
13 the Secretary publishes in the Federal Register
14 a justification for such significant modification.

15 “(3) ADJUSTMENTS.—

16 “(A) IN GENERAL.—The Secretary shall
17 consider applying adjustments to the quality
18 measures under this subsection taking into con-
19 sideration the studies under section 2(d) of the
20 IMPACT Act of 2014.

21 “(B) RISK ADJUSTMENT.—Such quality
22 measures shall be risk adjusted, as determined
23 appropriate by the Secretary.

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

1 “(1) REQUIREMENT FOR RESOURCE USE AND
2 OTHER MEASURES.—Not later than the specified ap-
3 plication date, as applicable to measures and PAC
4 providers, the Secretary shall specify resource use
5 and other measures on which PAC providers are re-
6 quired under the applicable reporting provisions to
7 submit any necessary data specified by the Sec-
8 retary, which may include standardized assessment
9 data in addition to claims data. Such measures shall
10 be with respect to at least the following domains:

11 “(A) Resource use measures, including
12 total estimated Medicare spending per bene-
13 ficiary.

14 “(B) Discharge to community.

15 “(C) Measures to reflect all-condition risk-
16 adjusted potentially preventable hospital read-
17 mission rates.

18 “(2) ALIGNING METHODOLOGY ADJUSTMENTS
19 FOR RESOURCE USE MEASURES.—

20 “(A) PERIOD OF TIME.—With respect to
21 the period of time used for calculating measures
22 under paragraph (1)(A), the Secretary shall, to
23 the extent the Secretary determines appro-
24 priate, align resource use with the methodology
25 used for purposes of section 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), or any subsequent modifica-
10 tions made to the methodology.

11 “(C) MEDICARE SPENDING PER BENE-
12 FICIARY.—The Secretary shall adjust, as appro-
13 priate, measures with respect to the domain de-
14 scribed in paragraph (1)(A) for the factors ap-
15 plied under section 1886(o)(2)(B)(ii).

16 “(3) ADJUSTMENTS.—

17 “(A) IN GENERAL.—The Secretary shall
18 consider applying adjustments to the resource
19 use and other measures specified under this
20 subsection with respect to the domain described
21 in paragraph (1)(A), taking into consideration
22 the studies under section 2(d) of the IMPACT
23 Act of 2014.

1 “(B) RISK ADJUSTMENT.—Such resource
2 use and other measures shall be risk adjusted,
3 as determined appropriate by the Secretary.

4 “(e) MEASUREMENT IMPLEMENTATION PHASES; SE-
5 LECTION OF QUALITY MEASURES AND RESOURCE USE
6 AND OTHER MEASURES.—

7 “(1) MEASUREMENT IMPLEMENTATION
8 PHASES.—In the case of quality measures specified
9 under subsection (c)(1) and resource use and other
10 measures specified under subsection (d)(1), the pro-
11 visions of this section shall be implemented in ac-
12 cordance with the following phases:

13 “(A) INITIAL IMPLEMENTATION PHASE.—
14 The initial implementation phase, with respect
15 to such a measure, shall, in accordance with
16 subsections (c) and (d), as applicable, consist
17 of—

18 “(i) measure specification, including
19 informing the public of the measure’s nu-
20 merator, denominator, exclusions, and any
21 other aspects the Secretary determines
22 necessary;

23 “(ii) data collection, including, in the
24 case of quality measures, requiring PAC

1 providers to report data elements needed
2 to calculate such a measure; and

3 “(iii) data analysis, including, in the
4 case of resource use and other measures,
5 the use of claims data to calculate such a
6 measure.

7 “(B) SECOND IMPLEMENTATION PHASE.—
8 The second implementation phase, with respect
9 to such a measure, shall consist of the provision
10 of feedback reports to PAC providers, in ac-
11 cordance with subsection (f).

12 “(C) THIRD IMPLEMENTATION PHASE.—
13 The third implementation phase, with respect to
14 such a measure, shall consist of public reporting
15 of PAC providers’ performance on such meas-
16 ure in accordance with subsection (g).

17 “(2) CONSENSUS-BASED ENTITY.—

18 “(A) IN GENERAL.—Subject to subpara-
19 graph (B), each measure specified by the Sec-
20 retary under this section shall be endorsed by
21 the entity with a contract under section
22 1890(a).

23 “(B) EXCEPTION.—In the case of a speci-
24 fied area or medical topic determined appro-
25 priate by the Secretary for which a feasible and

1 practical measure has not been endorsed by the
2 entity with a contract under section 1890(a),
3 the Secretary may specify a measure that is not
4 so endorsed as long as due consideration is
5 given to measures that have been endorsed or
6 adopted by a consensus organization identified
7 by the Secretary.

8 “(3) TREATMENT OF APPLICATION OF PRE-
9 RULEMAKING PROCESS (MEASURE APPLICATIONS
10 PARTNERSHIP PROCESS).—

11 “(A) IN GENERAL.—Subject to subpara-
12 graph (B), the provisions of section 1890A shall
13 apply in the case of a quality measure specified
14 under subsection (c) or a resource use or other
15 measure specified under subsection (d).

16 “(B) EXCEPTIONS.—

17 “(i) EXPEDITED PROCEDURES.—For
18 purposes of satisfying subparagraph (A),
19 the Secretary may use expedited proce-
20 dures, such as ad-hoc reviews, as nec-
21 essary, in the case of a quality measure
22 specified under subsection (c) or a resource
23 use or other measure specified in sub-
24 section (d) required with respect to data
25 submissions under the applicable reporting

1 provisions during the 1-year period before
2 the specified application date applicable to
3 such a measure and provider involved.

4 “(ii) OPTION TO WAIVE PROVI-
5 SIONS.—The Secretary may waive the ap-
6 plication of the provisions of section 1890A
7 in the case of a quality measure or re-
8 source use or other measure described in
9 clause (i), if the application of such provi-
10 sions (including through the use of an ex-
11 pedited procedure described in such clause)
12 would result in the inability of the Sec-
13 retary to satisfy any deadline specified in
14 this section with respect to such measure.

15 “(f) FEEDBACK REPORTS TO PAC PROVIDERS.—

16 “(1) IN GENERAL.—Beginning one year after
17 the specified application date, as applicable to PAC
18 providers and quality measures and resource use and
19 other measures under this section, the Secretary
20 shall provide confidential feedback reports to such
21 PAC providers on the performance of such providers
22 with respect to such measures required under the
23 applicable provisions.

24 “(2) FREQUENCY.—To the extent feasible, the
25 Secretary shall provide feedback reports described in

1 paragraph (1) not less frequently than on a quar-
2 terly basis. Notwithstanding the previous sentence,
3 with respect to measures described in such para-
4 graph that are reported on an annual basis, the Sec-
5 retary may provide such feedback reports on an an-
6 nual basis.

7 “(g) PUBLIC REPORTING OF PAC PROVIDER PER-
8 FORMANCE.—

9 “(1) IN GENERAL.—Subject to the succeeding
10 paragraphs of this subsection, the Secretary shall
11 provide for public reporting of PAC provider per-
12 formance on quality measures under subsection
13 (c)(1) and the resource use and other measures
14 under subsection (d)(1), including by establishing
15 procedures for making available to the public infor-
16 mation regarding the performance of individual PAC
17 providers with respect to such measures.

18 “(2) OPPORTUNITY TO REVIEW.—The proce-
19 dures under paragraph (1) shall ensure, including
20 through a process consistent with the process ap-
21 plied under section 1886(b)(3)(B)(viii)(VII) for simi-
22 lar purposes, that a PAC provider has the oppor-
23 tunity to review and submit corrections to the data
24 and information that is to be made public with re-

1 spect to the provider prior to such data being made
2 public.

3 “(3) TIMING.—Such procedures shall provide
4 that the data and information described in para-
5 graph (1), with respect to a measure and PAC pro-
6 vider, is made publicly available beginning not later
7 than two years after the specified application date
8 applicable to such a measure and provider.

9 “(4) COORDINATION WITH EXISTING PRO-
10 GRAMS.—Such procedures shall provide that data
11 and information described in paragraph (1) with re-
12 spect to quality measures and resource use and
13 other measures under subsections (c)(1) and (d)(1)
14 shall be made publicly available consistent with the
15 following provisions:

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

18 “(B) In the case of skilled nursing facili-
19 ties, sections 1819(i) and 1919(i).

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

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

24 “(h) REMOVING, SUSPENDING, OR ADDING MEAS-
25 URES.—

1 “(1) IN GENERAL.—The Secretary may remove,
2 suspend, or add a quality measure or resource use
3 or other measure described in subsection (c)(1) or
4 (d)(1), so long as, subject to paragraph (2), the Sec-
5 retary publishes in the Federal Register (with a no-
6 tice and comment period) a justification for such re-
7 moval, suspension, or addition.

8 “(2) EXCEPTION.—In the case of such a quality
9 measure or resource use or other measure for which
10 there is a reason to believe that the continued collec-
11 tion of such measure raises potential safety concerns
12 or would cause other unintended consequences, the
13 Secretary may promptly suspend or remove such
14 measure and satisfy paragraph (1) by publishing in
15 the Federal Register a justification for such suspen-
16 sion or removal in the next rulemaking cycle fol-
17 lowing such suspension or removal.

18 “(i) USE OF STANDARDIZED ASSESSMENT DATA,
19 QUALITY MEASURES, AND RESOURCE USE AND OTHER
20 MEASURES TO INFORM DISCHARGE PLANNING AND IN-
21 CORPORATE PATIENT PREFERENCE.—

22 “(1) IN GENERAL.—Not later than January 1,
23 2016, and periodically thereafter (but not less fre-
24 quently than once every 5 years), the Secretary shall
25 promulgate regulations to modify conditions of par-

1 participation and subsequent interpretive guidance ap-
2 plicable to PAC providers, hospitals, and critical ac-
3 cess hospitals. Such regulations and interpretive
4 guidance shall require such providers to take into
5 account quality, resource use, and other measures
6 under the applicable reporting provisions (which, as
7 available, shall include measures specified under sub-
8 sections (c) and (d), and other relevant measures) in
9 the discharge planning process. Specifically, such
10 regulations and interpretive guidance shall address
11 the settings to which a patient may be discharged in
12 order to assist subsection (d) hospitals, critical ac-
13 cess hospitals, hospitals described in section
14 1886(d)(1)(B)(v), PAC providers, patients, and fam-
15 ilies of such patients with discharge planning from
16 inpatient settings, including such hospitals, and
17 from PAC provider settings. In addition, such regu-
18 lations and interpretive guidance shall include proce-
19 dures to address—

20 “(A) treatment preferences of patients;

21 and

22 “(B) goals of care of patients.

23 “(2) DISCHARGE PLANNING.—All requirements
24 applied pursuant to paragraph (1) shall be used to

1 help inform and mandate the discharge planning
2 process.

3 “(3) CLARIFICATION.—Such regulations shall
4 not require an individual to be provided post-acute
5 care by a specific type of PAC provider in order for
6 such care to be eligible for payment under this title.

7 “(j) STAKEHOLDER INPUT.—Before the initial rule-
8 making process to implement this section, the Secretary
9 shall allow for stakeholder input, such as through town
10 halls, open door forums, and mail-box submissions.

11 “(k) FUNDING.—For purposes of carrying out this
12 section, the Secretary shall provide for the transfer to the
13 Centers for Medicare & Medicaid Services Program Man-
14 agement Account, from the Federal Hospital Insurance
15 Trust Fund under section 1817 and the Federal Supple-
16 mentary Medical Insurance Trust Fund under section
17 1841, in such proportion as the Secretary determines ap-
18 propriate, of \$130,000,000. Fifty percent of such amount
19 shall be available on the date of the enactment of this sec-
20 tion and fifty percent of such amount shall be equally pro-
21 portioned for each of fiscal years 2015 through 2019.
22 Such sums shall remain available until expended.

23 “(l) LIMITATION.—There shall be no administrative
24 or judicial review under sections 1869 and 1878 or other-
25 wise of the specification of standardized patient assess-

1 ment data required, the determination of measures, and
2 the systems to report such standardized data under this
3 section.

4 “(m) NON-APPLICATION OF PAPERWORK REDUC-
5 TION ACT.—Chapter 35 of title 44, United States Code
6 (commonly referred to as the ‘Paperwork Reduction Act
7 of 1995’) shall not apply to this section and the sections
8 referenced in subsection (a)(2)(B) that require modifica-
9 tion in order to achieve the standardization of patient as-
10 sessment data.”.

11 (b) STUDIES OF ALTERNATIVE PAC PAYMENT MOD-
12 ELS.—

13 (1) MEDPAC.—Using data from the Post-
14 Acute Payment Reform Demonstration authorized
15 under section 5008 of the Deficit Reduction Act of
16 2005 (Public Law 109–171) or other data, as avail-
17 able, not later than June 30, 2016, the Medicare
18 Payment Advisory Commission shall submit to Con-
19 gress a report that evaluates and recommends fea-
20 tures of PAC payment systems (as defined in section
21 1899B(a)(2)(D) of the Social Security Act, as added
22 by subsection (a)) that establish, or a unified post-
23 acute care payment system under title XVIII of the
24 Social Security Act that establishes, payment rates
25 according to characteristics of individuals (such as

1 cognitive ability, functional status, and impairments)
2 instead of according to the post-acute care setting
3 where the Medicare beneficiary involved is treated.
4 To the extent feasible, such report shall consider the
5 impacts of moving from PAC payment systems (as
6 defined in subsection (a)(2)(D) of such section
7 1899B) in existence as of the date of the enactment
8 of this Act to new post-acute care payment systems
9 under title XVIII of the Social Security Act.

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

12 (A) REPORT BY SECRETARY.—Not later
13 than 2 years after the date by which the Sec-
14 retary of Health and Human Services has col-
15 lected 2 years of data on quality measures
16 under subsection (c) of section 1899B, as added
17 by subsection (a), the Secretary shall, in con-
18 sultation with the Medicare Payment Advisory
19 Commission and appropriate stakeholders, sub-
20 mit to Congress a report, including—

21 (i) recommendations and a technical
22 prototype, on a post-acute care prospective
23 payment system under title XVIII of the
24 Social Security Act that would—

1 (I) in lieu of the rates that would
2 otherwise apply under PAC payment
3 systems (as defined in subsection
4 (a)(2)(D) of such section 1899B),
5 base payments under such title, with
6 respect to items and services fur-
7 nished to an individual by a PAC pro-
8 vider (as defined in subsection
9 (a)(2)(A) of such section), according
10 to individual characteristics (such as
11 cognitive ability, functional status,
12 and impairments) of such individual
13 instead of the post-acute care setting
14 in which the individual is furnished
15 such items and services;

16 (II) account for the clinical ap-
17 propriateness of items and services so
18 furnished and Medicare beneficiary
19 outcomes;

20 (III) be designed to incorporate
21 (or otherwise account for) standard-
22 ized patient assessment data under
23 section 1899B; and

24 (IV) further clinical integration,
25 such as by motivating greater coordi-

1 nation around a single condition or
2 procedure to integrate hospital sys-
3 tems with PAC providers (as so de-
4 fined).

5 (ii) recommendations on which Medi-
6 care fee-for-service regulations for post-
7 acute care payment systems under title
8 XVIII of the Social Security Act should be
9 altered (such as the skilled nursing facility
10 3-day stay and inpatient rehabilitation fa-
11 cility 60 percent rule);

12 (iii) an analysis of the impact of the
13 recommended payment system described in
14 clause (i) on Medicare beneficiary cost-
15 sharing, access to care, and choice of set-
16 ting;

17 (iv) a projection of any potential re-
18 duction in expenditures under title XVIII
19 of the Social Security Act that may be at-
20 tributable to the application of the rec-
21 ommended payment system described in
22 clause (i); and

23 (v) a review of the value of subsection
24 (d) hospitals (as defined in section
25 1886(d)(1)(B) of the Social Security Act

1 (42 U.S.C. 1395ww(d)(1)(B)), hospitals
2 described in section 1886(d)(1)(B)(v) of
3 such Act (42 U.S.C. 1395ww(d)(1)(B)(v)),
4 and critical access hospitals described in
5 section 1820(c)(2)(B) of such Act (42
6 U.S.C. 1395i-4(c)(2)(B)) collecting and
7 reporting to the Secretary standardized pa-
8 tient assessment data with respect to inpa-
9 tient hospital services furnished by such a
10 hospital or critical access hospital to indi-
11 viduals who are entitled to benefits under
12 part A of title XVIII of such Act or, as ap-
13 propriate, enrolled for benefits under part
14 B of such title.

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

1 (3) MEDICARE BENEFICIARY DEFINED.—For
 2 purposes of this subsection, the term “Medicare ben-
 3 eficiary” has the meaning given such term in section
 4 1899B(a)(2) of the Social Security Act, as added by
 5 subsection (a).

6 (c) PAYMENT CONSEQUENCES UNDER THE APPLICA-
 7 BLE REPORTING PROVISIONS.—

8 (1) HOME HEALTH AGENCIES.—Section
 9 1895(b)(3)(B)(v) of the Social Security Act (42
 10 U.S.C. 1395fff(b)(3)(B)(v)) is amended—

11 (A) in subclause (I), by striking “subclause
 12 (II)” and inserting “subclauses (II) and (IV)”;

13 (B) in subclause (II), by striking “For
 14 2007” and inserting “Subject to subclause (V),
 15 for 2007”;

16 (C) in subclause (III), by inserting “and
 17 subclause (IV)(aa)” after “subclause (II)”;

18 (D) by adding at the end the following new
 19 subclauses:

20 “(IV) SUBMISSION OF ADDI-
 21 TIONAL DATA.—

22 “(aa) IN GENERAL.—For
 23 the year beginning on the speci-
 24 fied application date (as defined
 25 in subsection (a)(2)(E) of section

1 1899B), as applicable with re-
2 spect to home health agencies
3 and quality measures under sub-
4 section (c)(1) of such section and
5 measures under subsection (d)(1)
6 of such section, and each subse-
7 quent year, in addition to the
8 data described in subclause (II),
9 each home health agency shall
10 submit to the Secretary data on
11 such quality measures and any
12 necessary data specified by the
13 Secretary under such subsection
14 (d)(1).

15 “(bb) STANDARDIZED PA-
16 TIENT ASSESSMENT DATA.—For
17 2019 and each subsequent year,
18 in addition to such data de-
19 scribed in item (aa), each home
20 health agency shall submit to the
21 Secretary standardized patient
22 assessment data required under
23 subsection (b)(1) of section
24 1899B.

1 “(cc) SUBMISSION.—Data
2 shall be submitted under items
3 (aa) and (bb) in the form and
4 manner, and at the time, speci-
5 fied by the Secretary for pur-
6 poses of this clause.

7 “(V) NON-DUPLICATION.—To the
8 extent data submitted under subclause
9 (IV) duplicates other data required to
10 be submitted under subclause (II), the
11 submission of such data under sub-
12 clause (IV) shall be in lieu of the sub-
13 mission of such data under subclause
14 (II). The previous sentence shall not
15 apply insofar as the Secretary deter-
16 mines it is necessary to avoid a delay
17 in the implementation of section
18 1899B, taking into account the dif-
19 ferent specified application dates
20 under subsection (a)(2)(E) of such
21 section.”.

22 (2) INPATIENT REHABILITATION FACILITIES.—
23 Section 1886(j)(7) of the Social Security Act (42
24 U.S.C. 1395ww(j)(7)) is amended—

1 (A) in subparagraph (A)(i), by striking
2 “subparagraph (C)” and inserting “subpara-
3 graphs (C) and (F)”;

4 (B) in subparagraph (C), by striking “For
5 fiscal year 2014 and each subsequent rate
6 year” and inserting “Subject to subparagraph
7 (G), for fiscal year 2014 and each subsequent
8 fiscal year”;

9 (C) in subparagraph (E), by inserting
10 “and subparagraph (F)(i)” after “subpara-
11 graph (C)”;

12 (D) by adding at the end the following new
13 subparagraphs:

14 “(F) SUBMISSION OF ADDITIONAL DATA.—

15 “(i) IN GENERAL.—For the fiscal year
16 beginning on the specified application date
17 (as defined in subsection (a)(2)(E) of sec-
18 tion 1899B), as applicable with respect to
19 inpatient rehabilitation facilities and qual-
20 ity measures under subsection (c)(1) of
21 such section and measures under sub-
22 section (d)(1) of such section, and each
23 subsequent fiscal year, in addition to such
24 data on the quality measures described in
25 subparagraph (C), each rehabilitation facil-

1 ity shall submit to the Secretary data on
2 the quality measures under such subsection
3 (c)(1) and any necessary data specified by
4 the Secretary under such subsection (d)(1).

5 “(ii) STANDARDIZED PATIENT AS-
6 SESSMENT DATA.—For fiscal year 2019
7 and each subsequent fiscal year, in addi-
8 tion to such data described in clause (i),
9 each rehabilitation facility shall submit to
10 the Secretary standardized patient assess-
11 ment data required under subsection (b)(1)
12 of section 1899B.

13 “(iii) SUBMISSION.—Such data shall
14 be submitted in the form and manner, and
15 at the time, specified by the Secretary for
16 purposes of this subparagraph.

17 “(G) NON-DUPLICATION.—To the extent
18 data submitted under subparagraph (F) dupli-
19 cates other data required to be submitted under
20 subparagraph (C), the submission of such data
21 under subparagraph (F) shall be in lieu of the
22 submission of such data under subparagraph
23 (C). The previous sentence shall not apply inso-
24 far as the Secretary determines it is necessary
25 to avoid a delay in the implementation of sec-

1 tion 1899B, taking into account the different
2 specified application dates under subsection
3 (a)(2)(E) of such section.”.

4 (3) LONG-TERM CARE HOSPITALS.—Section
5 1886(m)(5) of the Social Security Act (42 U.S.C.
6 1395ww(m)(5)) is amended—

7 (A) in subparagraph (A)(i), by striking
8 “subparagraph (C)” and inserting “subpara-
9 graphs (C) and (F)”;

10 (B) in subparagraph (C), by striking “For
11 rate year” and inserting “Subject to subpara-
12 graph (G), for rate year”;

13 (C) in subparagraph (E), by inserting
14 “and subparagraph (F)(i)” after “subpara-
15 graph (C)”;

16 (D) by adding at the end the following new
17 subparagraphs:

18 “(F) SUBMISSION OF ADDITIONAL DATA.—

19 “(i) IN GENERAL.—For the rate year
20 beginning on the specified application date
21 (as defined in subsection (a)(2)(E) of sec-
22 tion 1899B), as applicable with respect to
23 long-term care hospitals and quality meas-
24 ures under subsection (c)(1) of such sec-
25 tion and measures under subsection (d)(1)

1 of such section, and each subsequent rate
2 year, in addition to the data on the quality
3 measures described in subparagraph (C),
4 each long-term care hospital (other than a
5 hospital classified under subsection
6 (d)(1)(B)(iv)(II)) shall submit to the Sec-
7 retary data on the quality measures under
8 such subsection (c)(1) and any necessary
9 data specified by the Secretary under such
10 subsection (d)(1).

11 “(ii) STANDARDIZED PATIENT AS-
12 SESSMENT DATA.—For rate year 2019 and
13 each subsequent rate year, in addition to
14 such data described in clause (i), each
15 long-term care hospital (other than a hos-
16 pital classified under subsection
17 (d)(1)(B)(iv)(II)) shall submit to the Sec-
18 retary standardized patient assessment
19 data required under subsection (b)(1) of
20 section 1899B.

21 “(iii) SUBMISSION.—Such data shall
22 be submitted in the form and manner, and
23 at the time, specified by the Secretary for
24 purposes of this subparagraph.

1 “(G) NON-DUPLICATION.—To the extent
2 data submitted under subparagraph (F) dupli-
3 cates other data required to be submitted under
4 subparagraph (C), the submission of such data
5 under subparagraph (F) shall be in lieu of the
6 submission of such data under subparagraph
7 (C). The previous sentence shall not apply inso-
8 far as the Secretary determines it is necessary
9 to avoid a delay in the implementation of sec-
10 tion 1899B, taking into account the different
11 specified application dates under subsection
12 (a)(2)(E) of such section.”.

13 (4) SKILLED NURSING FACILITIES.—

14 (A) IN GENERAL.—Paragraph (6) of sec-
15 tion 1888(e) of the Social Security Act (42
16 U.S.C. 1395yy(e)) is amended to read as fol-
17 lows:

18 “(6) REPORTING OF ASSESSMENT AND QUALITY
19 DATA.—

20 “(A) REDUCTION IN UPDATE FOR FAILURE
21 TO REPORT.—

22 “(i) IN GENERAL.—For fiscal years
23 beginning with fiscal year 2018, in the
24 case of a skilled nursing facility that does
25 not submit data, as applicable, in accord-

1 ance with subclauses (II) and (III) of sub-
2 paragraph (B)(i) with respect to such a
3 fiscal year, after determining the percent-
4 age described in paragraph (5)(B)(i), and
5 after application of paragraph (5)(B)(ii),
6 the Secretary shall reduce such percentage
7 for payment rates during such fiscal year
8 by 2 percentage 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 (other than a critical
3 access hospital) described in paragraph
4 (7)(B), shall submit to the Secretary, in a
5 manner and within the timeframes pre-
6 scribed by the Secretary—

7 “(I) subject to clause (iii), the
8 resident assessment data necessary to
9 develop and implement the rates
10 under this subsection;

11 “(II) for fiscal years beginning
12 on or after the specified application
13 date (as defined in subsection
14 (a)(2)(E) of section 1899B), as appli-
15 cable with respect to skilled nursing
16 facilities and quality measures under
17 subsection (c)(1) of such section and
18 measures under subsection (d)(1) of
19 such section, data on such quality
20 measures under such subsection (c)(1)
21 and any necessary data specified by
22 the Secretary under such subsection
23 (d)(1); and

24 “(III) for fiscal years beginning
25 on or after October 1, 2018, stand-

1 ardized patient assessment data re-
2 quired under subsection (b)(1) of sec-
3 tion 1899B.

4 “(ii) USE OF STANDARD INSTRU-
5 MENT.—For purposes of meeting the re-
6 quirement under clause (i), a skilled nurs-
7 ing facility, or a facility (other than a crit-
8 ical access hospital) described in paragraph
9 (7)(B), may submit the resident assess-
10 ment data required under section
11 1819(b)(3), using the standard instrument
12 designated by the State under section
13 1819(e)(5).

14 “(iii) NON-DUPLICATION.—To the ex-
15 tent data submitted under subclause (II)
16 or (III) of clause (i) duplicates other data
17 required to be submitted under clause
18 (i)(I), the submission of such data under
19 such a subclause shall be in lieu of the
20 submission of such data under clause
21 (i)(I). The previous sentence shall not
22 apply insofar as the Secretary determines
23 it is necessary to avoid a delay in the im-
24 plementation of section 1899B, taking into
25 account the different specified application

1 dates under subsection (a)(2)(E) of such
2 section.”.

3 (B) FUNDING FOR NURSING HOME COM-
4 PARE WEBSITE.—Section 1819(i) of the Social
5 Security Act (42 U.S.C. 1395i–3(i)) is amended
6 by adding at the end the following new para-
7 graph:

8 “(3) FUNDING.—The Secretary shall transfer
9 to the Centers for Medicare & Medicaid Services
10 Program Management Account, from the Federal
11 Hospital Insurance Trust Fund under section 1817
12 a one-time allocation of \$11,000,000. The amount
13 shall be available on the date of the enactment of
14 this paragraph. Such sums shall remain available
15 until expended. Such sums shall be used to imple-
16 ment section 1128I(g).”.

17 (d) IMPROVING PAYMENT ACCURACY UNDER THE
18 PAC PAYMENT SYSTEMS AND OTHER MEDICARE PAY-
19 MENT SYSTEMS.—

20 (1) STUDIES AND REPORTS OF EFFECT OF CER-
21 TAIN INFORMATION ON QUALITY AND RESOURCE
22 USE.—

23 (A) STUDY USING EXISTING MEDICARE
24 DATA.—

1 (i) STUDY.—The Secretary of Health
2 and Human Services (in this subsection re-
3 ferred to as the “Secretary”) shall conduct
4 a study that examines the effect of individ-
5 uals’ socioeconomic status on quality meas-
6 ures and resource use and other measures
7 for individuals under the Medicare pro-
8 gram under title XVIII of the Social Secu-
9 rity Act (42 U.S.C. 1395 et seq.) (such as
10 to recognize that less healthy individuals
11 may require more intensive interventions).
12 The study shall use information collected
13 on such individuals in carrying out such
14 program, such as urban and rural location,
15 eligibility for Medicaid under title XIX of
16 such Act (42 U.S.C. 1396 et seq.) (recog-
17 nizing and accounting for varying Medicaid
18 eligibility across States), and eligibility for
19 benefits under the supplemental security
20 income (SSI) program. The Secretary shall
21 carry out this paragraph acting through
22 the Assistant Secretary for Planning and
23 Evaluation.

24 (ii) REPORT.—Not later than 2 years
25 after the date of the enactment of this Act,

1 the Secretary shall submit to Congress a
2 report on the study conducted under clause
3 (i).

4 (B) STUDY USING OTHER DATA.—

5 (i) STUDY.—The Secretary shall con-
6 duct a study that examines the impact of
7 risk factors, such as those described in sec-
8 tion 1848(p)(3) of the Social Security Act
9 (42 U.S.C. 1395w-4(p)(3)), race, health
10 literacy, limited English proficiency (LEP),
11 and Medicare beneficiary activation, on
12 quality measures and resource use and
13 other measures under the Medicare pro-
14 gram (such as to recognize that less
15 healthy individuals may require more in-
16 tensive interventions). In conducting such
17 study the Secretary may use existing Fed-
18 eral data and collect such additional data
19 as may be necessary to complete the study.

20 (ii) REPORT.—Not later than 5 years
21 after the date of the enactment of this Act,
22 the Secretary shall submit to Congress a
23 report on the study conducted under clause
24 (i).

1 (C) EXAMINATION OF DATA IN CON-
2 DUCTING STUDIES.—In conducting the studies
3 under subparagraphs (A) and (B), the Sec-
4 retary shall examine what non-Medicare data
5 sets, such as data from the American Commu-
6 nity Survey (ACS), can be useful in conducting
7 the types of studies under such paragraphs and
8 how such data sets that are identified as useful
9 can be coordinated with Medicare administra-
10 tive data in order to improve the overall data
11 set available to do such studies and for the ad-
12 ministration of the Medicare program.

13 (D) RECOMMENDATIONS TO ACCOUNT FOR
14 INFORMATION IN PAYMENT ADJUSTMENT
15 MECHANISMS.—If the studies conducted under
16 subparagraphs (A) and (B) find a relationship
17 between the factors examined in the studies and
18 quality measures and resource use and other
19 measures, then the Secretary shall also provide
20 recommendations for how the Centers for Medi-
21 care & Medicaid Services should—

22 (i) obtain access to the necessary data
23 (if such data is not already being collected)
24 on such factors, including recommenda-

1 tions on how to address barriers to the
2 Centers in accessing such data; and

3 (ii) account for such factors—

4 (I) in quality measures, resource
5 use measures, and other measures
6 under title XVIII of the Social Secu-
7 rity Act (including such measures
8 specified under subsections (c) and
9 (d) of section 1899B of such Act, as
10 added by subsection (a)); and

11 (II) in determining payment ad-
12 justments based on such measures in
13 other applicable provisions of such
14 title.

15 (E) FUNDING.—There are hereby appro-
16 priated to the Secretary from the Federal Hos-
17 pital Insurance Trust Fund under section 1817
18 of the Social Security Act (42 U.S.C. 1395i)
19 and the Federal Supplementary Medical Insur-
20 ance Trust Fund under section 1841 of such
21 Act (42 U.S.C. 1395t) (in proportions deter-
22 mined appropriate by the Secretary) to carry
23 out this paragraph \$6,000,000, to remain avail-
24 able until expended.

25 (2) CMS ACTIVITIES.—

1 (A) IN GENERAL.—Taking into account
2 the relevant studies conducted and rec-
3 ommendations made in reports under para-
4 graph (1) and, as appropriate, other informa-
5 tion, including information collected before com-
6 pletion of such studies and recommendations,
7 the Secretary, on an ongoing basis, shall, as the
8 Secretary determines appropriate and based on
9 an individual’s health status and other fac-
10 tors—

11 (i) assess appropriate adjustments to
12 quality measures, resource use measures,
13 and other measures under title XVIII of
14 the Social Security Act (42 U.S.C. 1395 et
15 seq.) (including measures specified in sub-
16 sections (c) and (d) of section 1899B of
17 such Act, as added by subsection (a)); and

18 (ii) assess and implement appropriate
19 adjustments to payments under such title
20 based on measures described in clause (i).

21 (B) ACCESSING DATA.—The Secretary
22 shall collect or otherwise obtain access to the
23 data necessary to carry out this paragraph
24 through existing and new data sources.

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

6 (D) FUNDING.—There are hereby appro-
7 priated to the Secretary from the Federal Hos-
8 pital Insurance Trust Fund under section 1817
9 of the Social Security Act (42 U.S.C. 1395i)
10 and the Federal Supplementary Medical Insur-
11 ance Trust Fund under section 1841 of such
12 Act (42 U.S.C. 1395t) (in proportions deter-
13 mined appropriate by the Secretary) to carry
14 out this paragraph \$10,000,000, to remain
15 available until expended.

16 (3) STRATEGIC PLAN FOR ACCESSING RACE
17 AND ETHNICITY DATA.—Not later than 18 months
18 after the date of the enactment of this Act, the Sec-
19 retary shall develop and report to Congress on a
20 strategic plan for collecting or otherwise accessing
21 data on race and ethnicity for purposes of specifying
22 quality measures and resource use and other meas-
23 ures under subsections (c) and (d) of section 1899B
24 of the Social Security Act, as added by subsection
25 (a), and, as the Secretary determines appropriate,

1 other similar provisions of, including payment ad-
2 justments under, title XVIII of such Act (42 U.S.C.
3 1395 et seq.).

4 **SEC. 3. HOSPICE CARE.**

5 (a) HOSPICE SURVEY REQUIREMENT.—

6 (1) IN GENERAL.—Section 1861(dd)(4) of the
7 Social Security Act (42 U.S.C. 1395x(dd)(4)) is
8 amended by adding at the end the following new
9 subparagraph:

10 “(C) Any entity that is certified as a hospice program
11 shall be subject to a standard survey by an appropriate
12 State or local survey agency, or an approved accreditation
13 agency, as determined by the Secretary, not less fre-
14 quently than once every 36 months beginning 6 months
15 after the date of the enactment of this subparagraph and
16 ending September 30, 2025.”.

17 (2) FUNDING.—For purposes of carrying out
18 subparagraph (C) of section 1861(dd)(4) of the So-
19 cial Security Act (42 U.S.C. 1395x(dd)(4)), as
20 added by paragraph (1), there shall be transferred
21 from the Federal Hospital Insurance Trust Fund
22 under section 1817 of such Act (42 U.S.C. 1395i)
23 to the Centers for Medicare & Medicaid Services
24 Program Management Account—

1 (A) \$25,000,000 for fiscal years 2015
2 through 2017, to be made available for such
3 purposes in equal parts for each such fiscal
4 year; and

5 (B) \$45,000,000 for fiscal years 2018
6 through 2025, to be made available for such
7 purposes in equal parts for each such fiscal
8 year.

9 (b) HOSPICE PROGRAM ELIGIBILITY RECERTIFI-
10 CATION TECHNICAL CORRECTION TO APPLY LIMITATION
11 ON LIABILITY OF BENEFICIARY RULES.—Section 1879 of
12 the Social Security Act (42 U.S.C. 1395pp) is amended
13 by adding at the end the following new subsection:

14 “(i) The provisions of this section shall apply with
15 respect to a denial of a payment under this title by reason
16 of section 1814(a)(7)(E) in the same manner as such pro-
17 visions apply with respect to a denial of a payment under
18 this title by reason of section 1862(a)(1).”.

19 (c) REVISION TO REQUIREMENT FOR MEDICAL RE-
20 VIEW OF CERTAIN HOSPICE CARE.—Section 1814(a)(7)
21 of the Social Security Act (42 U.S.C. 1395f(a)(7)) is
22 amended—

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

1 (2) in subparagraph (D), in the matter pre-
2 ceding clause (i), by inserting “(and, in the case of
3 clause (ii), before the date of enactment of subpara-
4 graph (E))” after “2011”; and

5 (3) by adding at the end the following new sub-
6 paragraph:

7 “(E) on and after the date of enactment of
8 this subparagraph, in the case of hospice care
9 provided an individual for more than 180 days
10 by a hospice program for which the number of
11 such cases for such program comprises more
12 than a percent (specified by the Secretary) of
13 the total number of all cases of individuals pro-
14 vided hospice care by the program under this
15 title, the hospice care provided to such indi-
16 vidual is medically reviewed (in accordance with
17 procedures established by the Secretary); and”.

18 (d) UPDATE OF HOSPICE AGGREGATE PAYMENT
19 CAP.—Section 1814(i)(2)(B) of the Social Security Act
20 (42 U.S.C. 1395f(i)(2)(B)) is amended—

21 (1) by striking “(B) For purposes” and insert-
22 ing “(B)(i) Except as provided in clause (ii), for
23 purposes”; and

24 (2) by adding at the end the following:

1 “(ii) For purposes of subparagraph (A) for account-
2 ing years that end after September 30, 2016, and before
3 October 1, 2025, the ‘cap amount’ is the cap amount
4 under this subparagraph for the preceding accounting
5 year updated by the percentage update to payment rates
6 for hospice care under paragraph (1)(C) for services fur-
7 nished during the fiscal year beginning on the October 1
8 preceding the beginning of the accounting year (including
9 the application of any productivity or other adjustment
10 under clause (iv) of that paragraph).

11 “(iii) For accounting years that end after September
12 30, 2025, the cap amount shall be computed under clause
13 (i) as if clause (ii) had never applied.”.

14 (e) **MEDICARE IMPROVEMENT FUND**.—Section 1898
15 of the Social Security Act (42 U.S.C. 1395iii) is amend-
16 ed—

17 (1) by amending the heading to read as follows:

18 **“MEDICARE IMPROVEMENT FUND”**;

19 (2) by amending subsection (a) to read as fol-
20 lows:

21 “(a) **ESTABLISHMENT**.—The Secretary shall estab-
22 lish under this title a Medicare Improvement Fund (in this
23 section referred to as the ‘Fund’) which shall be available
24 to the Secretary to make improvements under the original
25 Medicare fee-for-service program under parts A and B for

1 individuals entitled to, or enrolled for, benefits under part
2 or enrolled under part B including adjustments to pay-
3 ments for items and services furnished by providers of
4 services and suppliers under such original Medicare fee-
5 for-service program.”;

6 (3) in subsection (b)(1), by striking “during”
7 and all that follows and inserting “during and after
8 fiscal year 2020, \$195,000,000.”; and

9 (4) in subsection (b)(2), by striking “from the
10 Federal” and all that follows and inserting “from
11 the Federal Hospital Insurance Trust Fund and the
12 Federal Supplementary Medical Insurance Trust
13 Fund in such proportion as the Secretary determines
14 appropriate.”.

Passed the House of Representatives September 16,
2014.

Attest:

KAREN L. HAAS,

Clerk.