

106TH CONGRESS
1ST SESSION

H. R. 1392

To amend title XVIII of the Social Security Act to authorize the Secretary of Health and Human Services to enter into contracts with providers of services to furnish certain inpatient hospital services at an all-inclusive rate of payment.

IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 1999

Mr. STARK introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to authorize the Secretary of Health and Human Services to enter into contracts with providers of services to furnish certain inpatient hospital services at an all-inclusive rate of payment.

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. CENTERS OF EXCELLENCE.**

4 (a) IN GENERAL.—Title XVIII of the Social Security
5 Act is amended by inserting after section 1896 the fol-
6 lowing new section:

1 “CENTERS OF EXCELLENCE

2 “SEC. 1897. (a) IN GENERAL.—The Secretary shall
3 use a competitive process to contract with specific hos-
4 pitals or other entities for furnishing services related to
5 surgical procedures, and for furnished services (unrelated
6 to surgical procedures) to hospital inpatients that the Sec-
7 retary determines to be appropriate. Such services may in-
8 clude any services covered under this title that the Sec-
9 retary determines to be appropriate, including post-hos-
10 pital services.

11 “(b) QUALITY STANDARDS.—Only entities that meet
12 quality standards established by the Secretary shall be eli-
13 gible to contract under this section. In considering quality,
14 the Secretary shall take into account the quality, experi-
15 ence, and quantity of services of physicians who provide
16 services in more than one entity. Contracting entities shall
17 implement a quality improvement plan approved by the
18 Secretary.

19 “(c) PAYMENT.—Payment under this section shall be
20 made on the basis of negotiated all-inclusive rates. The
21 amount of payment made by the Secretary to an entity
22 under this title for services covered under a contract shall
23 be less than the aggregate amount of the payments that
24 the Secretary would have otherwise made for the services.

1 “(d) CONTRACT PERIOD.—A contract period shall be
2 3 years (subject to renewal), as long as the entity con-
3 tinues to meet quality and other contractual standards.

4 “(e) INCENTIVES FOR USE OF CENTERS.—The Sec-
5 retary may permit entities under a contract under this sec-
6 tion to furnish additional services or waive beneficiary
7 cost-sharing, subject to the approval of the Secretary.

8 “(f) LIMIT ON NUMBER OF CENTERS.—The Sec-
9 retary shall limit the number of centers in a geographic
10 area to the number needed to meet projected demand for
11 contracted services.”.

12 (b) EFFECTIVE DATES.—

13 (1) The amendment made by subsection (a) ap-
14 plies to services furnished on or after October 1,
15 2001.

16 (2) By October 1, 2001, the Secretary shall
17 enter into contracts under the amendment made by
18 subsection (a) for coronary artery by-pass surgery
19 and other heart procedures, (b) knee, and hip re-
20 placement surgery, and (c) organ transplantation in
21 geographic areas nationwide such that at least 20
22 percent of the projected number of those procedures
23 can be provided under such contracts.

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