

107TH CONGRESS  
1ST SESSION

# H. R. 3292

To establish an informatics grant program for hospitals and skilled nursing facilities and to encourage health care providers to make major information technology advances by establishing a Medical Information Technology Advisory Board that will develop and disseminate standards for the electronic sharing of medical information.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 14, 2001

Mr. HOUGHTON (for himself and Mrs. THURMAN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and 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

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## A BILL

To establish an informatics grant program for hospitals and skilled nursing facilities and to encourage health care providers to make major information technology advances by establishing a Medical Information Technology Advisory Board that will develop and disseminate standards for the electronic sharing of medical information.

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 “Medication Errors Re-  
3 duction Act of 2001”.

4 **SEC. 2. INFORMATICS SYSTEMS GRANT PROGRAM FOR**  
5 **HOSPITALS AND SKILLED NURSING FACILI-**  
6 **TIES.**

7       (a) GRANTS.—

8           (1) IN GENERAL.—The Secretary of Health and  
9 Human Services (in this section referred to as the  
10 “Secretary”) shall establish a program to make  
11 grants to eligible entities that have submitted appli-  
12 cations in accordance with subsection (b) for the  
13 purpose of assisting such entities in offsetting the  
14 costs related to purchasing, leasing, developing, and  
15 implementing standardized clinical health care  
16 informatics systems designed to improve patient  
17 safety and reduce adverse events and health care  
18 complications resulting from medication errors.

19           (2) DURATION.—The authority of the Secretary  
20 to make grants under this section shall terminate on  
21 September 30, 2011.

22           (3) COSTS DEFINED.—For purposes of this sec-  
23 tion, the term “costs” shall include total expendi-  
24 tures incurred for—

1 (A) purchasing, leasing, and installing  
2 computer software and hardware, including  
3 handheld computer technologies;

4 (B) making improvements to existing com-  
5 puter software and hardware;

6 (C) purchasing or leasing communications  
7 capabilities necessary for clinical data access,  
8 storage, and exchange; and

9 (D) providing education and training to el-  
10 igible entity staff on computer patient safety in-  
11 formation systems.

12 (4) ELIGIBLE ENTITY DEFINED.—For purposes  
13 of this section, the term “eligible entity” means the  
14 following entities:

15 (A) HOSPITAL.—A hospital (as defined in  
16 section 1861(e) of the Social Security Act (42  
17 U.S.C. 1395x(e))).

18 (B) SKILLED NURSING FACILITY.—A  
19 skilled nursing facility (as defined in section  
20 1819(a) of such Act (42 U.S.C. 1395i–3(e))).

21 (b) APPLICATION.—An eligible entity seeking a grant  
22 under this section shall submit an application to the Sec-  
23 retary at such time, in such form and manner, and con-  
24 taining such information as the Secretary specifies.

1       (c) SPECIAL CONSIDERATIONS AND RURAL HOS-  
2   PITAL RESERVE.—

3           (1) SPECIAL CONSIDERATION FOR ELIGIBLE  
4       ENTITIES THAT SERVE A LARGE NUMBER OF MEDI-  
5       CARE, MEDICAID, AND SCHIP ELIGIBLE INDIVID-  
6       UALS.—In awarding grants under this section, the  
7       Secretary shall give special consideration to eligible  
8       entities in which individuals that are eligible for ben-  
9       efits under the medicare program under title XVIII  
10      of the Social Security Act, the medicaid program  
11      under title XIX of such Act, or under the State chil-  
12      dren’s health insurance program under title XXI of  
13      such Act make up a high percentage of the total pa-  
14      tient population of the entity.

15          (2) RESERVE 20 PERCENT OF GRANT FUNDS  
16      FOR RURAL HOSPITALS.—

17           (A) IN GENERAL.—Subject to subpara-  
18      graph (C), the Secretary shall ensure that at  
19      least 20 percent of the funds available for mak-  
20      ing grants under this section are used for mak-  
21      ing grants to eligible entities that are rural hos-  
22      pitals.

23           (B) RURAL HOSPITAL DEFINED.—For pur-  
24      poses of subparagraph (A), the term “rural hos-  
25      pital” means a hospital that—

1 (i) is located in a rural area (as such  
2 term is defined for purposes of section  
3 1886(d) of the Social Security Act (42  
4 U.S.C. 1395ww(d)));

5 (ii) is located in an area designated by  
6 any law or regulation of the State as a  
7 rural area; or

8 (iii) is designated by the State as a  
9 rural hospital.

10 (C) AVAILABILITY OF RESERVE FUNDS IF  
11 LIMITED NUMBER OF RURAL HOSPITALS APPLY  
12 FOR GRANTS.—If the Secretary estimates that  
13 the amount of funds reserved under subpara-  
14 graph (A) for hospitals described in such sub-  
15 paragraph exceeds the maximum amount of  
16 funds permitted for such hospitals under sub-  
17 section (d), the Secretary may reduce the  
18 amount reserved for such hospitals by an  
19 amount equal to such excess and use such  
20 funds for awarding grants to other eligible enti-  
21 ties.

22 (3) SPECIAL CONSIDERATION FOR COMPLIANCE  
23 WITH RECOMMENDED STANDARDS.—In awarding  
24 grants under this section, the Secretary shall give  
25 special consideration to eligible entities for grants

1 that are intended to comply with the requirements  
2 referred to in paragraph (1)(B) of section 3(c) (re-  
3 lating to interoperability standardization, common  
4 medical technology (lexicon), and records security)  
5 that are recommended under such section.

6 (d) LIMITATION ON AMOUNT OF GRANT.—

7 (1) IN GENERAL.—A grant awarded under this  
8 section may not exceed the lesser of—

9 (A) an amount equal to the applicable per-  
10 centage of the costs incurred by the eligible en-  
11 tity for the project for which the entity is seek-  
12 ing funding under this section; or

13 (B) in the case of a grant made to a—

14 (i) hospital, \$750,000; or

15 (ii) skilled nursing facility, \$200,000.

16 (2) APPLICABLE PERCENTAGE.—For purposes  
17 of paragraph (1)(A), the term “applicable percent-  
18 age” means, with respect to an eligible entity, the  
19 percentage of total net revenues for such period as  
20 determined appropriate by the Secretary for the en-  
21 tity that consists of net revenues from the medicare  
22 and medicaid programs or the State children’s  
23 health insurance program under titles XVIII, XIX,  
24 and XXI of the Social Security Act.

1       (e) ELIGIBLE ENTITY REQUIRED TO FURNISH SEC-  
2 RETARY WITH INFORMATION.—An eligible entity receiv-  
3 ing a grant under this section shall furnish the Secretary  
4 with such information as the Secretary may require to—

5           (1) evaluate the project for which the grant is  
6       made; and

7           (2) ensure that funding provided under the  
8       grant is expended for the purposes for which it is  
9       made.

10       (f) REPORTS.—

11           (1) INTERIM REPORTS.—

12                (A) IN GENERAL.—The Secretary shall  
13       submit, at least annually, a report to the Com-  
14       mittee on Ways and Means of the House of  
15       Representatives and the Committee on Finance  
16       of the Senate on the grant program established  
17       under this section.

18                (B) CONTENTS.—A report submitted pur-  
19       suant to subparagraph (A) shall include infor-  
20       mation on—

21                   (i) the number of grants made;

22                   (ii) the nature of the projects for  
23       which funding is provided under the grant  
24       program;

1 (iii) the geographic distribution of  
2 grant recipients; and

3 (iv) such other matters as the Sec-  
4 retary determines appropriate.

5 (2) FINAL REPORT.—Not later than 180 days  
6 after the completion of all of the projects for which  
7 a grant is made under this section, the Secretary  
8 shall submit a final report to the committees re-  
9 ferred to in paragraph (1)(A) on the grant program  
10 established under this section, together with such  
11 recommendations for legislation and administrative  
12 action as the Secretary determines appropriate.

13 (g) AUTHORIZATION OF APPROPRIATIONS.—

14 (1) AUTHORIZATION.—

15 (A) HOSPITALS.—There are authorized to  
16 be appropriated from the Federal Hospital In-  
17 surance Trust Fund under section 1817 of the  
18 Social Security Act (42 U.S.C. 1395i)  
19 \$93,000,000, for each of the fiscal years 2002  
20 through 2011, for the purpose of making grants  
21 under this section to eligible entities that are  
22 hospitals.

23 (B) SKILLED NURSING FACILITIES.—  
24 There are authorized to be appropriated from  
25 the Federal Hospital Insurance Trust Fund



1           under section 1817 of the Social Security Act  
2           (42 U.S.C. 1395i) \$4,500,000, for each of the  
3           fiscal years 2002 through 2011, for the purpose  
4           of making grants under this section to eligible  
5           entities that are skilled nursing facilities.

6           (2) AVAILABILITY.—Any amounts appropriated  
7           pursuant to the authority contained in subparagraph  
8           (A) or (B) of paragraph (1) shall remain available,  
9           without fiscal year limitation, through September  
10          30, 2011.

11 **SEC. 3. MEDICAL INFORMATION TECHNOLOGY ADVISORY**  
12 **BOARD.**

13          (a) ESTABLISHMENT.—No later than three months  
14 after the date of the enactment of this Act, the Secretary  
15 of Health and Human Services (in this section referred  
16 to as the “Secretary”) shall appoint a board to be known  
17 as the “Medical Information Technology Advisory Board”  
18 (in this section referred to as the “MITAB”). The Sec-  
19 retary shall designate one member as chairman and one  
20 as vice chairman.

21          (b) COMPOSITION.—

22               (1) IN GENERAL.—The MITAB shall consist of  
23          17 members that include—

24                       (A) experts from the fields of medical in-  
25          formation, information technology, medical con-

tinuous quality improvement, medical records security and privacy, individual and institutional health care clinical providers, health researchers, and health care purchasers;

(B) one or more Members of the National Committee on Vital and Health Statistics and one or more Members of the Medicare Payment Advisory Commission or its staff; and

(C) one or more staff experts from the National Library of Medicine, the Centers for Medicare & Medicaid Services, and the Agency for Healthcare Research and Quality.

(2) TERMS; ETC.—The provisions of paragraphs (3) through (8) of section 4021(c) of the Balanced Budget Act of 1997 shall apply to the MITAB in the same manner as they applied to the National Bipartisan Commission on the Future of Medicare.

(c) DUTIES.—

(1) INITIAL REPORT.—No later than 30 months after the date of the enactment of this Act, the MITAB shall submit to Congress a report on the following:

(A) The best current practices in medical information technology.

1 (B) The requirements to be established  
2 (after appropriate development and testing)  
3 for—

4 (i) health care information technology  
5 interoperability standardization,

6 (ii) common medical terminology (lexi-  
7 con), and

8 (iii) records security.

9 (C) Certification of compliance with  
10 MITAB requirements, so that the goal of con-  
11 fidential information exchange among health  
12 care providers may be promoted and so that  
13 long-term compatibility among information sys-  
14 tems is maximized, in order to promote one or  
15 more of the goals described in subsection (d).

16 (2) SUBSEQUENT REPORTS.—During the 6  
17 years after the year in which the report is submitted  
18 under paragraph (1), the MITAB shall submit to  
19 Congress reports, every 24 months, relating to addi-  
20 tional recommendations, best practices, results of in-  
21 formation technology improvements financed under  
22 grants under section 2, and such other matters as  
23 may help ensure the most rapid dissemination of  
24 best practices in health care information technology.

1 (d) GOALS.—The goals described in this subsection  
2 are the following:

3 (1) To maximize positive outcomes in clinical  
4 care—

5 (A) by providing decision support for diag-  
6 nosis and care; and

7 (B) by assisting in the emergency treat-  
8 ment of a patient presenting at a facility where  
9 there is no medical record of the patient.

10 (2) To contribute to (and be consistent with)  
11 the development of the patient assessment instru-  
12 ment provided for under section 545 of the Medi-  
13 care, Medicaid, and SCHIP Benefits Improvement  
14 and Protection Act of 2000 (as enacted into law by  
15 section 1(a)(6) of Public Law 106–554), and to as-  
16 sist in minimizing the need for new and different  
17 records as patients move from provider to provider.

18 (3) To reduce or eliminate the need for redun-  
19 dant records, paperwork, and the repetitive taking of  
20 patient histories and administering of tests.

21 (4) To minimize medical errors, such as admin-  
22 istration of contraindicated drugs.

23 (5) To promote and ensure access to best prac-  
24 tices of medicine through support of research across  
25 institutions.

1           (6) To provide a compatible information tech-  
2           nology architecture that facilitates future quality  
3           and cost-saving needs and that avoids the financing  
4           and development of information technology systems  
5           that are not readily compatible.

6           (e) STAFF AND ADMINISTRATION.—The provisions of  
7           section 4021(d) of the Balanced Budget Act of 1997 shall  
8           apply to the MITAB in the same manner as they applied  
9           to the National Bipartisan Commission on the Future of  
10          Medicare.

11          (f) POWERS.—The provisions of section 4021(e) of  
12          the Balanced Budget Act of 1997 shall apply to the  
13          MITAB in the same manner as they applied to the Na-  
14          tional Bipartisan Commission on the Future of Medicare.

15          (g) TERMINATION.—The MITAB shall terminate 30  
16          days after the date of submission of its final report under  
17          subsection (c)(2).

18          (h) AUTHORIZATION OF APPROPRIATIONS.—There  
19          are authorized to be appropriated \$2,500,000 in fiscal  
20          year 2002, \$8,000,000 in fiscal year 2003, and  
21          \$9,500,000 in fiscal year 2004 to carry out this section.  
22          The full amount of such appropriation shall be payable  
23          from the Federal Hospital Insurance Trust Fund under  
24          section 1817 of the Social Security Act (42 U.S.C. 1395i).  
25          Funding for the reports provided under subsection (c)(2)

- 1 shall be from funds appropriated for the administrative
- 2 budget of the Centers for Medicare & Medicaid Services.

