

107TH CONGRESS  
1ST SESSION

# S. 824

To establish an informatics grant program for hospitals and skilled nursing facilities.

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IN THE SENATE OF THE UNITED STATES

MAY 3, 2001

Mr. GRAHAM (for himself and Ms. SNOWE) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To establish an informatics grant program for hospitals and skilled nursing facilities.

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

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Medication Errors Re-  
5       duction Act of 2001”.

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

9       (a) GRANTS.—

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

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

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

18              (A) purchasing, leasing, and installing  
19              computer software and hardware, including  
20              handheld computer technologies;

21              (B) making improvements to existing com-  
22              puter software and hardware;

23              (C) purchasing or leasing communications  
24              capabilities necessary for clinical data access,  
25              storage, and exchange; and

1 (D) providing education and training to el-  
2 igible entity staff on computer patient safety in-  
3 formation systems.

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

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

10 (B) SKILLED NURSING FACILITY.—A  
11 skilled nursing facility (as defined in section  
12 1819(a) of such Act (42 U.S.C. 1395i–3(e))).

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

17 (c) SPECIAL CONSIDERATION FOR ELIGIBLE ENTI-  
18 TIES THAT SERVE A LARGE NUMBER OF MEDICARE AND  
19 MEDICAID ELIGIBLE INDIVIDUALS.—In awarding grants  
20 under this section, the Secretary shall give special consid-  
21 eration to eligible entities in which individuals that are eli-  
22 gible for benefits under the medicare program under title  
23 XVIII of the Social Security Act or the medicaid program  
24 under title XIX of such Act make up a high percentage  
25 of the total patient population of the entity.

1 (d) LIMITATION ON AMOUNT OF GRANT.—

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

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

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

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

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

11 (2) APPLICABLE PERCENTAGE.—For purposes  
12 of paragraph (1)(A), the term “applicable percent-  
13 age” means, with respect to an eligible entity, the  
14 percentage of total net revenues for such period as  
15 determined appropriate by the Secretary for the en-  
16 tity that consists of net revenues from the medicare  
17 program under title XVIII of the Social Security  
18 Act.

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

23 (1) evaluate the project for which the grant is  
24 made; and

1           (2) ensure that funding provided under the  
2           grant is expended for the purposes for which it is  
3           made.

4           (f) REPORTS.—

5                 (1) INTERIM REPORTS.—

6                     (A) IN GENERAL.—The Secretary shall  
7                     submit, at least annually, a report to the Com-  
8                     mittee on Ways and Means of the House of  
9                     Representatives and the Committee on Finance  
10                    of the Senate on the grant program established  
11                    under this section.

12                   (B) CONTENTS.—A report submitted pur-  
13                   suant to subparagraph (A) shall include infor-  
14                   mation on—

15                         (i) the number of grants made;

16                         (ii) the nature of the projects for  
17                         which funding is provided under the grant  
18                         program;

19                         (iii) the geographic distribution of  
20                         grant recipients; and

21                         (iv) such other matters as the Sec-  
22                         retary determines appropriate.

23           (2) FINAL REPORT.—Not later than 180 days  
24           after the completion of all of the projects for which  
25           a grant is made under this section, the Secretary

1 shall submit a final report to the committees re-  
 2 ferred to in paragraph (1)(A) on the grant program  
 3 established under this section, together with such  
 4 recommendations for legislation and administrative  
 5 action as the Secretary determines appropriate.

6 (g) AUTHORIZATION OF APPROPRIATIONS.—

7 (1) AUTHORIZATION.—

8 (A) HOSPITALS.—There are authorized to  
 9 be appropriated from the Federal Hospital In-  
 10 surance Trust Fund under section 1817 of the  
 11 Social Security Act (42 U.S.C. 1395i)  
 12 \$93,000,000, for each of the fiscal years 2002  
 13 through 2011, for the purpose of making grants  
 14 under this section to eligible entities that are  
 15 hospitals.

16 (B) SKILLED NURSING FACILITIES.—

17 There are authorized to be appropriated from  
 18 the Federal Hospital Insurance Trust Fund  
 19 under section 1817 of the Social Security Act  
 20 (42 U.S.C. 1395i) \$4,500,000, for each of the  
 21 fiscal years 2002 through 2011, for the purpose  
 22 of making grants under this section to eligible  
 23 entities that are skilled nursing facilities.

24 (2) AVAILABILITY.—Any amounts appropriated  
 25 pursuant to the authority contained in subparagraph

1       (A) or (B) of paragraph (1) shall remain available,  
2       without fiscal year limitation, through September  
3       30, 2011.

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