

108TH CONGRESS
2D SESSION

H. R. 4805

To direct the Secretary of Health and Human Services to establish a demonstration program under which the Secretary offsets the costs of electronic prescribing systems of Medicare health care providers.

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 2004

Mr. MURPHY (for himself, Mrs. JOHNSON of Connecticut, Mr. KENNEDY of Rhode Island, Mr. GREENWOOD, Mr. WELDON of Florida, Mr. WELDON of Pennsylvania, Ms. GINNY BROWN-WAITE of Florida, and Mr. GINGREY) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, 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 direct the Secretary of Health and Human Services to establish a demonstration program under which the Secretary offsets the costs of electronic prescribing systems of Medicare health care providers.

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 “Ensuring Medication
5 Safety for Seniors Act”.

1 **SEC. 2. FINDINGS; PURPOSE.**

2 (a) FINDINGS.—Congress finds the following:

3 (1) Prescription medications are central to the
4 health care of Americans, accessed by 65 percent of
5 the U.S. public in a given year.

6 (2) Medication related errors, or adverse drug
7 events, are one of the most common types of medical
8 errors and one of the greatest threats to patient
9 safety.

10 (3) Studies and data have documented the prev-
11 alence of inappropriate prescribing of medications
12 remains a substantial problem, with an estimated
13 7,000 deaths in the United States occurring each
14 year as a result of medication errors.

15 (4) Medication errors not only are harmful to
16 patients, but are financially costly to healthcare or-
17 ganizations and providers.

18 (5) Resources that could be spent on direct
19 health care services are diverted to counteract ad-
20 verse drug events.

21 (6) New tools and systems are necessary to ad-
22 dress medical error problems.

23 (7) Technology can be deployed which can vast-
24 ly improve the medication management process and
25 decrease preventable patient injuries.

1 (8) Electronic prescribing systems hold the po-
2 tential to substantially improve health care quality
3 by reducing preventable adverse drug events.

4 (9) Investment costs remain an obstacle for
5 healthcare systems to create electronic prescribing
6 systems.

7 (b) PURPOSE.—The purpose of this Act is to encour-
8 age and create incentives for healthcare systems to develop
9 an electronic prescribing system to improve safety and
10 quality of care for all patients.

11 **SEC. 3. DEMONSTRATION PROGRAM FOR MEDICARE**
12 **HEALTH CARE PROVIDERS TO IMPLEMENT**
13 **ELECTRONIC PRESCRIPTION DRUG PRO-**
14 **GRAMS.**

15 (a) ESTABLISHMENT OF DEMONSTRATION PRO-
16 GRAM.—The Secretary of Health and Human Services
17 shall establish a demonstration program (in this section
18 referred to as the “demonstration program”) under which
19 assistance described in subsection (b) is made available,
20 upon request and on a voluntary basis, to medicare health
21 care providers for the purpose of assisting those providers
22 to offset the costs of electronic prescribing systems for
23 those providers.

1 (b) ASSISTANCE.—The assistance referred to in sub-
2 section (a) consists of the provision, directly or through
3 grants under subsection (c), of the following:

4 (1) Computer software and hardware, including
5 handheld computer technologies and the installation
6 of such software, hardware, and technologies.

7 (2) Upgrades and other improvements to exist-
8 ing computer software and hardware to enable elec-
9 tronic prescribing systems.

10 (3) Communications capabilities for clinical
11 data access, storage, and exchange, including the in-
12 stallation of such capabilities.

13 (4) Education and training to eligible staff of
14 medicare health care providers on computer informa-
15 tion system technologies made available under this
16 section.

17 (c) AWARDING OF GRANTS.—

18 (1) AUTHORITY.—The Secretary may make
19 grants to medicare providers of services for the pur-
20 chase, lease, and installation of the items and tech-
21 nologies described in subsection (b).

22 (2) APPLICATION.—No grant may be made
23 under this section except pursuant to a grant appli-
24 cation that is submitted and approved in a time,
25 manner, and form specified by the Secretary con-

1 taining such information as the Secretary may re-
2 quire.

3 (3) LIMITATION ON GRANTS.—Only 1 grant
4 may be awarded under this section with respect to
5 any medicare health care provider or group or prac-
6 tice of providers or suppliers, including providers
7 furnishing services to medicare beneficiaries in long-
8 term care facilities, skilled nursing facilities, and
9 hospitals.

10 (4) TERMS AND CONDITIONS.—

11 (A) IN GENERAL.—Grants under this sec-
12 tion shall be made under such terms and condi-
13 tions as the Secretary specifies consistent with
14 this section.

15 (B) PROVISION OF INFORMATION.—As a
16 condition for the awarding of a grant under this
17 section, an applicant shall provide to the Sec-
18 retary such information as the Secretary may
19 require in order to—

20 (i) evaluate the project for which the
21 grant is made; and

22 (ii) ensure that funding provided
23 under the grant is expended only for the
24 purposes for which it is made.

1 (C) AUDIT.—The Secretary shall conduct
2 appropriate audits of grants under this section.

3 (d) DEMONSTRATION PROJECT SITES.—

4 (1) NUMBER OF SITES.—The demonstration
5 project established under this section shall be con-
6 ducted in not more than 5 sites selected by the Sec-
7 retary.

8 (2) SELECTION CRITERIA.—In selecting such
9 sites, the Secretary shall give priority to sites in the
10 following order:

11 (A) First to sites in counties, or equivalent
12 areas, in which the largest numbers of medicare
13 beneficiaries reside.

14 (B) Second to sites in rural areas.

15 (e) DURATION.—The authority of the Secretary to
16 provide assistance under this section shall terminate on
17 September 30, 2014.

18 (f) WAIVER AUTHORITY.—The Secretary may waive
19 such requirements of titles XI and XVIII of the Social
20 Security Act as may be necessary for the purposes of car-
21 rying out the demonstration project.

22 (g) EVALUATION AND REPORT.—

23 (1) EVALUATION.—The Secretary shall conduct
24 evaluations of the clinical and cost-effectiveness of
25 the demonstration project.

1 (2) REPORTS.—The Secretary shall submit to
2 Congress interim reports on the demonstration
3 project, and not later than 6 months after the com-
4 pletion of the project, a final report on the dem-
5 onstration project. Each report shall include the fol-
6 lowing:

7 (A) An analysis of the patient outcomes
8 and costs of furnishing care to the medicare
9 beneficiaries participating in the project.

10 (B) Such recommendations regarding the
11 extension, expansion, or termination of the
12 project as the Secretary determines appropriate.

13 (h) DEFINITION.—In this section:

14 (1) MEDICARE HEALTH CARE PROVIDER.—The
15 term “medicare health care providers” means any of
16 the following that furnishes items or services for
17 which payment is made under title XVIII of the So-
18 cial Security Act (42 U.S.C. 1395 et seq.):

19 (A) A provider of services, as that term is
20 defined in section 1861(u) of the Social Secu-
21 rity Act (42 U.S.C. 1395x(u)).

22 (B) A supplier, as that term is defined in
23 section 1861(d) of the Social Security Act (42
24 U.S.C. 1395x(d)).

1 (2) MEDICARE BENEFICIARY.—The term
2 “medicare beneficiary” means an individual entitled
3 to benefits under part A of title XVIII of the Social
4 Security Act, or enrolled under part B of such title,
5 or both.

6 (3) SECRETARY.—The term “Secretary” means
7 the Secretary of Health and Human Services.

8 (i) AUTHORIZATION OF APPROPRIATIONS.—

9 (1) AMOUNT OF AUTHORIZATION.—There are
10 authorized to be appropriated to the Secretary, from
11 amounts not otherwise appropriated in the Treasury,
12 to carry out this section \$50,000,000 for fiscal year
13 2005, and such sums as may be necessary for each
14 of fiscal years 2006 and 2007.

15 (2) AVAILABILITY.—Amounts appropriated pur-
16 suant to the authorization under paragraph (1) shall
17 remain available without fiscal year limitation
18 through September 30, 2014.

19 (j) IMPLEMENTATION.—The Secretary may not im-
20 plement the demonstration project under this section be-
21 fore the date on which the Secretary develops, adopts, rec-
22 ognizes, or modifies initial uniform standards relating to
23 the requirements for electronic prescription drug pro-

1 grams under section 1860D–4(e)(4)(A) of the Social Secu-
2 rity Act (42 U.S.C. 1395w–104(e)(4)(A)).

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