

108TH CONGRESS  
1ST SESSION

# S. 1729

To establish an informatics grant program for hospitals and skilled nursing facilities in order to encourage health care providers to make major information technology advances.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 14, 2003

Mr. GRAHAM of Florida (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 in order to encourage health care providers to make major information technology advances.

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 2003”.

1   **SEC. 2. INFORMATICS SYSTEMS GRANT PROGRAM FOR**  
2                   **HOSPITALS AND SKILLED NURSING FACILI-**  
3                   **TIES.**

4       (a) GRANTS.—

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

16               (2) DURATION.—The authority of the Secretary  
17               to make grants under this section shall terminate on  
18               September 30, 2013.

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

22                       (A) purchasing, leasing, and installing  
23                       computer software and hardware, including  
24                       handheld computer technologies;

25                       (B) making improvements to existing com-  
26                       puter software and hardware;

1 (C) purchasing or leasing communications  
2 capabilities necessary for clinical data access,  
3 storage, and exchange; and

4 (D) providing education and training to el-  
5 igible entity staff on computer patient safety in-  
6 formation systems.

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

13 (B) SKILLED NURSING FACILITY.—A  
14 skilled nursing facility (as defined in section  
15 1819(a) of such Act (42 U.S.C. 1395i–3(e))).

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

20 (c) SPECIAL CONSIDERATIONS AND RURAL Hos-  
21 PITAL RESERVE.—

1       Secretary shall give special consideration to eligible  
2       entities in which individuals that are eligible for ben-  
3       efits under the medicare program under title XVIII  
4       of the Social Security Act, the medicaid program  
5       under title XIX of such Act, or under the State chil-  
6       dren's health insurance program under title XXI of  
7       such Act make up a high percentage of the total pa-  
8       tient population of the entity.

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

20 (i) is located in a rural area (as such  
21 term is defined for purposes of section  
22 1886(d) of the Social Security Act (42  
23 U.S.C. 1395ww(d)));

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

18 (d) LIMITATION ON AMOUNT OF GRANT.—

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

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

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

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

16 (1) evaluate the project for which the grant is  
17 made; and

21 (f) REPORTS.—

22 (1) INTERIM REPORTS.—

1 Representatives and the Committee on Finance  
2 of the Senate on the grant program established  
3 under this section.

4 (B) CONTENTS.—A report submitted pur-  
5 suant to subparagraph (A) shall include infor-  
6 mation on—

7 (i) the number of grants made;  
8 (ii) the nature of the projects for  
9 which funding is provided under the grant

10 program;  
11 (iii) the geographic distribution of  
12 grant recipients; and

13 (iv) such other matters as the Sec-  
14 retary determines appropriate.

23 (g) AUTHORIZATION OF APPROPRIATIONS.—

24 (1) AUTHORIZATION.—

9 (B) SKILLED NURSING FACILITIES.—  
10 There are authorized to be appropriated from  
11 the Federal Hospital Insurance Trust Fund  
12 under section 1817 of the Social Security Act  
13 (42 U.S.C. 1395i) \$4,500,000, for each of the  
14 fiscal years 2004 through 2013, for the purpose  
15 of making grants under this section to eligible  
16 entities that are skilled nursing facilities.

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