

108TH CONGRESS
2D SESSION

S. 2907

To amend the Public Health Service Act to improve the quality and efficiency of health care delivery through improvements in health care information technology, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 6, 2004

Mr. DODD (for himself and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Public Health Service Act to improve the quality and efficiency of health care delivery through improvements in health care information technology, and for other purposes.

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 “Information Tech-
5 nology for Health Care Quality Act”.

1 **SEC. 2. AMENDMENT TO THE PUBLIC HEALTH SERVICE**
 2 **ACT.**

3 The Public Health Service Act (42 U.S.C. 201 et
 4 seq.) is amended by adding at the end thereof the fol-
 5 lowing:

6 **“TITLE XXIX—HEALTH CARE**
 7 **INFORMATION TECHNOLOGY**

8 **“SEC. 2901. DEFINITIONS.**

9 “In this title:

10 “(1) **COVERAGE AREA.**—The term ‘coverage
 11 area’ means the boundaries of a local health infor-
 12 mation infrastructure.

13 “(2) **DIRECTOR.**—The term ‘Director’ means
 14 the Director of the Office of Health Information
 15 Technology.

16 “(3) **HEALTH CARE PROVIDER.**—The term
 17 ‘health care provider’ means a hospital, skilled nurs-
 18 ing facility, home health entity, health care clinic,
 19 community health center, group practice (as defined
 20 in section 1877(h)(4) of the Social Security Act, in-
 21 cluding practices with only 1 physician), and any
 22 other facility or clinician determined appropriate by
 23 the Director.

24 “(4) **HEALTH INFORMATION TECHNOLOGY.**—
 25 The term ‘health information technology’ means a
 26 computerized system that—

1 “(A) is consistent with the standards de-
2 veloped pursuant to section 2903;

3 “(B) permits the secure electronic trans-
4 mission of information to other health care pro-
5 viders and public health entities; and

6 “(C) includes—

7 “(i) an electronic health record
8 (EHR) that provides access in real-time to
9 the patient’s complete medical record;

10 “(ii) a personal health record (PHR)
11 through which an individual (and anyone
12 authorized by such individual) can main-
13 tain and manage their health information;

14 “(iii) computerized provider order
15 entry (CPOE) technology that permits the
16 electronic ordering of diagnostic and treat-
17 ment services, including prescription drugs;

18 “(iv) decision support to assist physi-
19 cians in making clinical decisions by pro-
20 viding electronic alerts and reminders to
21 improve compliance with best practices,
22 promote regular screenings and other pre-
23 ventive practices, and facilitate diagnoses
24 and treatments;

1 “(v) error notification procedures so
 2 that a warning is generated if an order is
 3 entered that is likely to lead to a signifi-
 4 cant adverse outcome for the patient; and
 5 “(vi) tools to allow for the collection,
 6 analysis, and reporting of data on adverse
 7 events, near misses, and the quality of care
 8 provided to the patient.

9 “(5) LOCAL HEALTH INFORMATION INFRA-
 10 STRUCTURES.—The term ‘local health information
 11 infrastructure’ means an independent organization
 12 of health care entities established for the purpose of
 13 linking health information systems to electronically
 14 share information. A local health information infra-
 15 structure may not be a single business entity.

16 “(6) OFFICE.—The term ‘Office’ means the Of-
 17 fice of Health Information Technology established
 18 under section 2902.

19 **“SEC. 2902. OFFICE OF HEALTH INFORMATION TECH-**
 20 **NOLOGY.**

21 “(a) ESTABLISHMENT.—There is established within
 22 the executive office of the President an Office of Health
 23 Information Technology. The Office shall be headed by a
 24 Director to be appointed by the President. The Director
 25 shall report directly to the President.

1 “(b) PURPOSE.—It shall be the purpose of the Office
2 to—

3 “(1) improve the quality and increase the effi-
4 ciency of health care delivery through the use of
5 health information technology;

6 “(2) provide national leadership relating to, and
7 encourage the adoption of, health information tech-
8 nology;

9 “(3) direct all health information technology ac-
10 tivities within the Federal Government; and

11 “(4) facilitate the interaction between the Fed-
12 eral Government and the private sector relating to
13 health information technology development and use.

14 “(c) DUTIES AND RESPONSIBILITIES.—The Office
15 shall be responsible for the following:

16 “(1) NATIONAL STRATEGY.—The Office shall
17 develop a national strategy for improving the quality
18 and enhancing the efficiency of health care through
19 the improved use of health information technology
20 and the creation of a National Health Information
21 Infrastructure.

22 “(2) FEDERAL LEADERSHIP.—The Office
23 shall—

1 “(A) serve as the principle advisor to the
2 President concerning health information tech-
3 nology;

4 “(B) direct all health information tech-
5 nology activity within the Federal Government,
6 including approving or disapproving agency
7 policies submitted under paragraph (3);

8 “(C) work with public and private health
9 information technology stakeholders to imple-
10 ment the national strategy described in para-
11 graph (1); and

12 “(D) ensure that health information tech-
13 nology is utilized as fully as practicable in car-
14 rying out health surveillance efforts.

15 “(3) AGENCY POLICIES.—

16 “(A) IN GENERAL.—The Office shall, in
17 accordance with this paragraph, approve or dis-
18 approve the policies of Federal departments or
19 agencies with respect to any policy proposed to
20 be implemented by such agency or department
21 that would significantly affect that agency or
22 department’s use of health information tech-
23 nology.

24 “(B) SUBMISSION OF PROPOSAL.—The
25 head of any Federal Government agency or de-

1 partment that desires to implement any policy
2 with respect to such agency or department that
3 would significantly affect that agency or depart-
4 ment's use of health information technology
5 shall submit an implementation proposal to the
6 Office at least 60 days prior to the proposed
7 date of the implementation of such policy.

8 “(C) APPROVAL OR DISAPPROVAL.—Not
9 later than 60 days after the date on which a
10 proposal is received under subparagraph (B),
11 the Office shall determine whether to approve
12 the implementation of such proposal. In making
13 such determination, the Office shall consider
14 whether the proposal is consistent with the na-
15 tional strategy described in paragraph (1). If
16 the Office fails to make a determination within
17 such 60-day period, such proposal shall be
18 deemed to be approved.

19 “(D) FAILURE TO APPROVE.—Except as
20 otherwise provided for by law, a proposal sub-
21 mitted under subparagraph (B) may not be im-
22 plemented unless such proposal is approved or
23 deemed to be approved under subparagraph
24 (C).

25 “(4) COORDINATION.—The Office shall—

1 “(A) encourage the development and adop-
2 tion of clinical, messaging, and decision support
3 health information data standards, pursuant to
4 the requirements of section 2903;

5 “(B) ensure the maintenance and imple-
6 mentation of the data standards described in
7 subparagraph (A);

8 “(C) oversee and coordinate the health in-
9 formation technology efforts of the Federal
10 Government;

11 “(D) ensure the compliance of the Federal
12 Government with Federally adopted health in-
13 formation technology data standards;

14 “(E) ensure that the Federal Government
15 consults and collaborates on decision making
16 with respect to health information technology
17 with the private sector and other interested par-
18 ties; and

19 “(F) in consultation with private sector,
20 adopt certification and testing criteria to deter-
21 mine if electronic health information systems
22 interoperate.

23 “(5) COMMUNICATION.—The Office shall—

1 “(A) act as the point of contact for the
2 private sector with respect to the use of health
3 information technology; and

4 “(B) work with the private sector to collect
5 and disseminate best health information tech-
6 nology practices.

7 “(6) EVALUATION AND DISSEMINATION.—The
8 Office shall coordinate with the Agency for Health
9 Research and Quality and other Federal agencies
10 to—

11 “(A) evaluate and disseminate information
12 relating to evidence of the costs and benefits of
13 health information technology and to whom
14 those costs and benefits accrue;

15 “(B) evaluate and disseminate information
16 on the impact of health information technology
17 on the quality and efficiency of patient care;
18 and

19 “(C) review Federal payment structures
20 and differentials for health care providers that
21 utilize health information technology systems.

22 “(7) TECHNICAL ASSISTANCE.—The Office
23 shall utilize existing private sector quality improve-
24 ment organizations to—

1 “(A) promote the adoption of health infor-
2 mation technology among healthcare providers;
3 and

4 “(B) provide technical assistance con-
5 cerning the implementation of health informa-
6 tion technology to healthcare providers.

7 “(8) FEDERAL REIMBURSEMENT.—

8 “(A) IN GENERAL.—Not later than 6
9 months after the date of enactment of this title,
10 the Office shall make recommendations to the
11 President and the Secretary of Health and
12 Human Service on changes to Federal reim-
13 bursement and payment structures that would
14 encourage the adoption of information tech-
15 nology (IT) to improve health care quality and
16 safety.

17 “(B) PLAN.—Not later than 90 days after
18 receiving recommendations under subparagraph
19 (A), the Secretary shall provide to the relevant
20 Committees of Congress a report that provides,
21 with respect to each recommendation, a plan for
22 the implementation, or an explanation as to
23 why implementation is inadvisable, of such rec-
24 ommendations. The Office shall continue to
25 monitor federally funded and supported infor-

1 mation technology and quality initiatives (includ-
 2 ing the initiatives authorized in this title), and
 3 periodically update recommendations to the
 4 President and the Secretary.

5 “(d) RESOURCES.—The President shall make avail-
 6 able to the Office, the resources, both financial and other-
 7 wise, necessary to enable the Director to carry out the pur-
 8 poses of, and perform the duties and responsibilities of
 9 the Office under, this section.

10 “(e) DETAIL OF FEDERAL EMPLOYEES.—Upon the
 11 request of the Director, the head of any Federal agency
 12 is authorized to detail, without reimbursement from the
 13 Office, any of the personnel of such agency to the Office
 14 to assist it in carrying out its duties under this section.
 15 Any such detail shall not interrupt or otherwise affect the
 16 civil service status or privileges of the Federal employee.

17 **“SEC. 2903. PROMOTING THE INTEROPERABILITY OF**
 18 **HEALTH CARE INFORMATION TECHNOLOGY**
 19 **SYSTEMS.**

20 “(a) DEVELOPMENT, AND FEDERAL GOVERNMENT
 21 ADOPTION, OF STANDARDS.—

22 “(1) ADOPTION.—

23 “(A) IN GENERAL.—Not later than 2 years
 24 after the date of the enactment of this title, the
 25 Director, in collaboration with the Consolidated

1 Health Informatics Initiative (or a successor or-
2 ganization to such Initiative), shall provide for
3 the adoption by the Federal Government of na-
4 tional data and communication health informa-
5 tion technology standards that promote the effi-
6 cient exchange of data between varieties of pro-
7 vider health information technology systems. In
8 carrying out the preceding sentence, the Direc-
9 tor may adopt existing standards. Except as
10 otherwise provided for in this title, standards
11 adopted under this section shall be voluntary
12 for private sector entities.

13 “(B) GRANTS OR CONTRACTS.—The Direc-
14 tor may utilize grants or contracts to provide
15 for the private sector development of standards
16 for adoption by the Federal Government under
17 subparagraph (A).

18 “(C) DEFINITION.—In this paragraph, the
19 term ‘provide for’ means that the Director shall
20 promulgate, and each Federal agency or depart-
21 ment shall adopt, regulations to ensure that
22 each such agency or department complies with
23 the requirements of subsection (b).

1 “(2) REQUIREMENTS.—The standards devel-
 2 oped and adopted under paragraph (1) shall be de-
 3 signed to—

4 “(A) enable health information technology
 5 to be used for the collection and use of clinically
 6 specific data;

7 “(B) promote the interoperability of health
 8 care information across health care settings;

9 “(C) facilitate clinical decision support
 10 through the use of health information tech-
 11 nology; and

12 “(D) ensure the privacy and confidentiality
 13 of medical records.

14 “(3) PUBLIC PRIVATE PARTNERSHIP.—Con-
 15 sistent with activities being carried out on the date
 16 of enactment of this title, including the Consolidated
 17 Health Informatics Initiative (or a successor organi-
 18 zation to such Initiative), health information tech-
 19 nology standards shall be adopted by the Director
 20 under paragraph (1) at the conclusion of a collabo-
 21 rative process that includes consultation between the
 22 Federal Government and private sector health care
 23 and information technology stakeholders.

24 “(4) PRIVACY AND SECURITY.—The regulations
 25 promulgated by the Secretary under part C of title

1 XI of the Social Security Act (42 U.S.C. 1320d et
2 seq.) and sections 261, 262, 263, and 264 of the
3 Health Insurance Portability and Accountability Act
4 of 1996 (42 U.S.C. 1320d–2 note) with respect to
5 the privacy, confidentiality, and security of health
6 information shall apply to the implementation of
7 programs and activities under this title.

8 “(5) PILOT TESTS.—To the extent practical,
9 the Director shall pilot test the health information
10 technology data standards developed under para-
11 graph (1) prior to their implementation under this
12 section.

13 “(6) DISSEMINATION.—

14 “(A) IN GENERAL.—The Director shall en-
15 sure that the standards adopted under para-
16 graph (1) are widely disseminated to interested
17 stakeholders.

18 “(B) LICENSING.—To facilitate the dis-
19 semination and implementation of the stand-
20 ards developed and adopted under paragraph
21 (1), the Director may license such standards, or
22 utilize other means, to ensure the widespread
23 use of such standards.

24 “(b) IMPLEMENTATION OF STANDARDS.—

1 “(1) PURCHASE OF SYSTEMS BY THE SEC-
2 RETARY.—Effective beginning on the date that is 1
3 year after the adoption of the technology standards
4 pursuant to subsection (a), the Secretary shall not
5 purchase any health care information technology
6 system unless such system is in compliance with the
7 standards adopted under subsection (a), nor shall
8 the Director approve any proposal pursuant to sec-
9 tion 2902(c)(3) unless such proposal utilizes systems
10 that are in compliance with the standards adopted
11 under subsection (a).

12 “(2) RECIPIENTS OF FEDERAL FUNDS.—Effec-
13 tive on the date described in paragraph (1), no ap-
14 propriated funds may be used to purchase a health
15 care information technology system unless such sys-
16 tem is in compliance with applicable standards
17 adopted under subsection (a).

18 “(c) MODIFICATION OF STANDARDS.—The Director
19 shall provide for ongoing oversight of the health informa-
20 tion technology standards developed under subsection (a)
21 to—

22 “(1) identify gaps or other shortcomings in
23 such standards; and

1 “(2) modify such standards when determined
 2 appropriate or develop additional standards, in col-
 3 laboration with standard setting organizations.

4 **“SEC. 2904. LOAN GUARANTEES FOR THE ADOPTION OF**
 5 **HEALTH INFORMATION TECHNOLOGY.**

6 “(a) IN GENERAL.—The Director shall guarantee
 7 payment of the principal of and the interest on loans made
 8 to eligible entities to enable such entities—

9 “(1) to implement local health information in-
 10 frastructures to facilitate the development of inter-
 11 operability across health care settings to improve
 12 quality and efficiency; or

13 “(2) to facilitate the purchase and adoption of
 14 health information technology to improve quality and
 15 efficiency.

16 “(b) ELIGIBILITY.—To be eligible to receive a loan
 17 guarantee under subsection (a) an entity shall—

18 “(1) with respect to an entity desiring a loan
 19 guarantee—

20 “(A) under subsection (a)(1), be a coalition
 21 of entities that represent an independent con-
 22 sortium of health care stakeholders within a
 23 community that—

24 “(i) includes—

1 “(I) physicians (as defined in
2 section 1881(r)(1) of the Social Secu-
3 rity Act);

4 “(II) hospitals; and

5 “(III) group health plans or
6 other health insurance issuers (as
7 such terms are defined in section
8 2791); and

9 “(ii) may include any other health
10 care providers; or

11 “(B) under subsection (a)(2) be a health
12 care provider;

13 “(2) to the extent practicable, adopt the na-
14 tional health information technology standards
15 adopted under section 2903;

16 “(3) provide assurances that the entity shall
17 submit to the Director regular reports on the activi-
18 ties carried out under the loan guarantee, includ-
19 ing—

20 “(A) a description of the financial costs
21 and benefits of the project involved and of the
22 entities to which such costs and benefits accrue;

23 “(B) a description of the impact of the
24 project on health care quality and safety; and

1 “(C) a description of any reduction in du-
 2 plicative or unnecessary care as a result of the
 3 project involved;

4 “(4) provide assurances that not later than 30
 5 days after the development of the standard quality
 6 measures pursuant to section 2906, the entity shall
 7 submit to the Director regular reports on such meas-
 8 ures, including provider level data and analysis of
 9 the impact of information technology on such meas-
 10 ures;

11 “(5) prepare and submit to the Director an ap-
 12 plication at such time, in such manner, and con-
 13 taining such information as the Director may re-
 14 quire.

15 “(c) USE OF FUNDS.—Amounts received under a
 16 loan guarantee under subsection (a) shall be used—

17 “(1) with respect to a loan guarantee described
 18 in subsection (a)(1)—

19 “(A) to develop a plan for the implementa-
 20 tion of a local health information infrastructure
 21 under this section;

22 “(B) to establish systems for the sharing
 23 of data in accordance with the national health
 24 information technology standards developed
 25 under section 2903;

1 “(C) to purchase directly related inte-
2 grated hardware and software to establish an
3 interoperable health information technology sys-
4 tem that is capable of linking to a local health
5 care information infrastructure; and

6 “(D) to train staff, maintain health infor-
7 mation technology systems, and maintain ade-
8 quate security and privacy protocols;

9 “(2) with respect to a loan guarantee described
10 in subsection (a)(2)—

11 “(A) to develop a plan for the purchase
12 and installation of health information tech-
13 nology;

14 “(B) to purchase directly related inte-
15 grated hardware and software to establish an
16 interoperable health information technology sys-
17 tem that is capable of linking to a national or
18 local health care information infrastructure;
19 and

20 “(C) to train staff, maintain health infor-
21 mation technology systems, and maintain ade-
22 quate security and privacy protocols; and

23 “(3) to carry out any other activities deter-
24 mined appropriate by the Director.

1 “(d) SPECIAL CONSIDERATIONS FOR CERTAIN ENTI-
 2 TIES.—In awarding loan guarantees under this section,
 3 the Director shall give special consideration to eligible en-
 4 tities that—

5 “(1) provide service to low-income and under-
 6 served populations; and

7 “(2) agree to electronically submit the informa-
 8 tion described in paragraphs (3) and (4) of sub-
 9 section (b) on a daily basis.

10 “(e) SPECIAL CONSIDERATIONS FOR LOCAL HEALTH
 11 INFORMATION INFRASTRUCTURES.—In awarding loan
 12 guarantees under this section to local health information
 13 infrastructures, the Director shall give special consider-
 14 ation to eligible entities that—

15 “(1) include at least 50 percent of the patients
 16 living in the designated coverage area;

17 “(2) incorporate public health surveillance and
 18 reporting into the overall architecture of the pro-
 19 posed infrastructure; and

20 “(3) link local health information infrastruc-
 21 tures.

22 “(f) AREAS OF SPECIFIC INTEREST.—In awarding
 23 loan guarantees under this section, the Director shall in-
 24 clude—

1 “(1) entities with a coverage area that includes
2 an entire State; and

3 “(2) entities with a multi-state coverage area.

4 “(g) ADMINISTRATIVE PROVISIONS.—

5 “(1) AGGREGATE AMOUNT.—

6 “(A) IN GENERAL.—Except as provided in
7 subparagraph (B), the aggregate amount of
8 principal of loans guaranteed under subsection
9 (a) with respect to an eligible entity may not
10 exceed \$5,000,000. In any 12-month period the
11 amount disbursed to an eligible entity under
12 this section (by a lender under a guaranteed
13 loan) may not exceed \$5,000,000.

14 “(B) EXCEPTION.—The cumulative total
15 of the principal of the loans outstanding at any
16 time to which guarantees have been issued
17 under subsection (a) may not exceed such limi-
18 tations as may be specified in appropriation
19 Acts.

20 “(2) PROTECTION OF FEDERAL GOVERN-
21 MENT.—

22 “(A) IN GENERAL.—The Director may not
23 approve an application for a loan guarantee
24 under this section unless the Director deter-
25 mines that—

1 “(i) the terms, conditions, security (if
2 any), and schedule and amount of repay-
3 ments with respect to the loan are suffi-
4 cient to protect the financial interests of
5 the United States and are otherwise rea-
6 sonable, including a determination that the
7 rate of interest does not exceed such per-
8 cent per annum on the principal obligation
9 outstanding as the Director determines to
10 be reasonable, taking into account the
11 range of interest rates prevailing in the
12 private market for loans with similar ma-
13 turities, terms, conditions, and security
14 and the risks assumed by the United
15 States; and

16 “(ii) the loan would not be available
17 on reasonable terms and conditions with-
18 out the enactment of this section.

19 “(B) RECOVERY.—

20 “(i) IN GENERAL.—The United States
21 shall be entitled to recover from the appli-
22 cant for a loan guarantee under this sec-
23 tion the amount of any payment made pur-
24 suant to such loan guarantee, unless the
25 Director for good cause waives such right

1 of recovery, and, upon making any such
2 payment, the United States shall be sub-
3 rogated to all of the rights of the recipient
4 of the payments with respect to which the
5 loan was made.

6 “(ii) MODIFICATION OF TERMS.—Any
7 terms and conditions applicable to a loan
8 guarantee under this section may be modi-
9 fied by the Director to the extent the Di-
10 rector determines it to be consistent with
11 the financial interest of the United States.

12 “(3) DEFAULTS.—The Director may take such
13 action as the Director deems appropriate to protect
14 the interest of the United States in the event of a
15 default on a loan guaranteed under this section, in-
16 cluding taking possession of, holding, and using real
17 property pledged as security for such a loan guar-
18 antee.

19 “(h) AUTHORIZATION OF APPROPRIATIONS.—

20 “(1) IN GENERAL.—There is authorized to be
21 appropriated to carry out this section, \$250,000,000
22 for each of fiscal years 2005 through 2010.

23 “(2) AVAILABILITY.—Amounts appropriated
24 under subparagraph (A) shall remain available for
25 obligation until expended.

1 **“SEC. 2905. GRANTS FOR THE PURCHASE OF HEALTH IN-**
 2 **FORMATION TECHNOLOGY.**

3 “(a) IN GENERAL.—The Director may award com-
 4 petitive grants to eligible entities—

5 “(1) to implement local health information in-
 6 frastructures to facilitate the development of inter-
 7 operability across health care settings; or

8 “(2) to facilitate the purchase and adoption of
 9 health information technology.

10 “(b) ELIGIBILITY.—To be eligible to receive a grant
 11 under section (a) an entity shall—

12 “(1) demonstrate financial need to the Director;

13 “(2) with respect to an entity desiring a
 14 grant—

15 “(A) under subsection (a)(1), represent an
 16 independent consortium of health care stake-
 17 holders within a community that—

18 “(i) includes—

19 “(I) physicians (as defined in
 20 section 1881(r)(1) of the Social Secu-
 21 rity Act);

22 “(II) hospitals; and

23 “(III) group health plans or
 24 other health insurance issuers (as
 25 such terms are defined in section
 26 2791); and

1 “(ii) may include any other health
2 care providers; or

3 “(B) under subsection (a)(2) be a health
4 care provider that provides health care services
5 to low-income and underserved populations;

6 “(3) adopt the national health information tech-
7 nology standards developed under section 2903;

8 “(4) provide assurances that the entity shall
9 submit to the Director regular reports on the activi-
10 ties carried out under the loan guarantee, includ-
11 ing—

12 “(A) a description of the financial costs
13 and benefits of the project involved and of the
14 entities to which such costs and benefits accrue;

15 “(B) a description of the impact of the
16 project on health care quality and safety; and

17 “(C) a description of any reduction in du-
18 plicative or unnecessary care as a result of the
19 project involved;

20 “(5) provide assurances that not later than 30
21 days after the development of the standard quality
22 measures pursuant to section 2906, the entity shall
23 submit to the Director regular reports on such meas-
24 ures, including provider level data and analysis of

1 the impact of information technology on such meas-
2 ures;

3 “(6) prepare and submit to the Director an ap-
4 plication at such time, in such manner, and con-
5 taining such information as the Director may re-
6 quire; and

7 “(7) agree to provide matching funds in accord-
8 ance with subsection (g).

9 “(c) USE OF FUNDS.—Amounts received under a
10 grant under subsection (a) shall be used to—

11 “(1) with respect to a grant described in sub-
12 section (a)(1)—

13 “(A) to develop a plan for the implementa-
14 tion of a local health information infrastructure
15 under this section;

16 “(B) to establish systems for the sharing
17 of data in accordance with the national health
18 information technology standards developed
19 under section 2903;

20 “(C) to implement, enhance, or upgrade a
21 comprehensive, electronic health information
22 technology system; and

23 “(D) to maintain adequate security and
24 privacy protocols;

1 “(2) with respect to a grant described in sub-
2 section (a)(2)—

3 “(A) to develop a plan for the purchase
4 and installation of health information tech-
5 nology;

6 “(B) to purchase directly related inte-
7 grated hardware and software to establish an
8 interoperable health information technology sys-
9 tem that is capable of linking to a national or
10 local health care information infrastructure;
11 and

12 “(C) to train staff, maintain health infor-
13 mation technology systems, and maintain ade-
14 quate security and privacy protocols;

15 “(3) maintain adequate security and privacy
16 protocols; and

17 “(4) to carry out any other activities deter-
18 mined appropriate by the Director.

19 “(d) SPECIAL CONSIDERATIONS FOR CERTAIN ENTI-
20 TIES.—In awarding grants under this section, the Direc-
21 tor shall give special consideration to eligible entities
22 that—

23 “(1) provide service to low-income and under-
24 served populations; and

1 “(2) agree to electronically submit the informa-
 2 tion described in paragraphs (4) and (5) of sub-
 3 section (b).

4 “(e) SPECIAL CONSIDERATIONS FOR LOCAL HEALTH
 5 INFORMATION INFRASTRUCTURES.—In awarding grants
 6 under this section to local health information infrastruc-
 7 tures, the Director shall give special consideration to eligi-
 8 ble entities that—

9 “(1) include at least 50 percent of the patients
 10 living in the designated coverage area;

11 “(2) incorporate public health surveillance and
 12 reporting into the overall architecture of the pro-
 13 posed infrastructure; and

14 “(3) link local health information infrastruc-
 15 tures;

16 “(f) AREAS OF SPECIFIC INTEREST.—In awarding
 17 grants under this section, the Director shall include—

18 “(1) entities with a coverage area that includes
 19 an entire State; and

20 “(2) entities with a multi-state coverage area.

21 “(g) MATCHING REQUIREMENT.—

22 “(1) IN GENERAL.—The Director may not
 23 make a grant under this section to an entity unless
 24 the entity agrees that, with respect to the costs to
 25 be incurred by the entity in carrying out the infra-

1 structure program for which the grant was awarded,
 2 the entity will make available (directly or through
 3 donations from public or private entities) non-Fed-
 4 eral contributions toward such costs in an amount
 5 equal to not less than 20 percent of such costs (\$1
 6 for each \$5 of Federal funds provided under the
 7 grant).

8 “(2) DETERMINATION OF AMOUNT CONTRIB-
 9 UTED.—Non-Federal contributions required under
 10 paragraph (1) may be in cash or in kind, fairly eval-
 11 uated, including equipment, technology, or services.
 12 Amounts provided by the Federal Government, or
 13 services assisted or subsidized to any significant ex-
 14 tent by the Federal Government, may not be in-
 15 cluded in determining the amount of such non-Fed-
 16 eral contributions.

17 “(h) AUTHORIZATION OF APPROPRIATIONS.—

18 “(1) IN GENERAL.—There is authorized to be
 19 appropriated to carry out this section, \$250,000,000
 20 for each of fiscal years 2005 through 2010.

21 “(2) AVAILABILITY.—Amounts appropriated
 22 under paragraph (1) shall remain available for obli-
 23 gation until expended.”.

1 **SEC. 3. STANDARDIZED MEASURES OF QUALITY HEALTH**
 2 **CARE AND DATA COLLECTION.**

3 Title XXIX of the Public Health Service Act, as
 4 added by section 2, is amended by adding at the end the
 5 following:

6 **“SEC. 2906. STANDARDIZED MEASURES OF QUALITY**
 7 **HEALTH CARE.**

8 “(a) IN GENERAL.—

9 “(1) COLLABORATION.—The Secretary of
 10 Health and Human Services, the Secretary of De-
 11 fense, and the Secretary of Veterans Affairs (re-
 12 ferred to in this section as the ‘Secretaries’), in con-
 13 sultation with the Quality Interagency Coordination
 14 Taskforce (as established by Executive Order on
 15 March 13, 1998), the Institute of Medicine, the
 16 Joint Commission on Accreditation of Healthcare
 17 Organizations, the National Committee for Quality
 18 Assurance, the American Health Quality Associa-
 19 tion, the National Quality Forum, the Medicare Pay-
 20 ment Advisory Committee, and other individuals and
 21 organizations determined appropriate by the Secre-
 22 taries, shall establish uniform health care quality
 23 measures to assess the effectiveness, timeliness, pa-
 24 tient-centeredness, efficiency, equity, and safety of
 25 care delivered across all federally supported health
 26 delivery programs.

1 “(2) DEVELOPMENT OF MEASURES.—Not later
2 than 18 months after the date of enactment of this
3 title, the Secretaries shall develop standardized sets
4 of quality measures for each of the 20 priority areas
5 for improvement in health care quality as identified
6 by the Institute of Medicine in their report entitled
7 ‘Priority Areas for National Action’ in 2003, or
8 other such areas as identified by the Secretaries in
9 order to assist beneficiaries in making informed
10 choices about health plans or care delivery systems.
11 The selection of appropriate quality indicators under
12 this subsection shall include the evaluation criteria
13 formulated by clinical professionals, consumers, and
14 data collection experts.

15 “(3) PILOT TESTING.—Each federally sup-
16 ported health delivery program may conduct a pilot
17 test of the quality measures developed under para-
18 graph (2) that shall include a collection of patient-
19 level data and a public release of comparative per-
20 formance reports.

21 “(b) PUBLIC REPORTING REQUIREMENTS.—The
22 Secretaries, working collaboratively, shall establish public
23 reporting requirements for clinicians, institutional pro-
24 viders, and health plans in each of the federally supported
25 health delivery program described in subsection (a). Such

1 requirements shall provide that the entities described in
2 the preceding sentence shall report to the appropriate Sec-
3 retary on the measures developed under subsection (a).

4 “(c) FULL IMPLEMENTATION.—The Secretaries,
5 working collaboratively, shall implement all sets of quality
6 measures and reporting systems developed under sub-
7 sections (a) and (b) by not later than the date that is 1
8 year after the date on which the measures are developed
9 under subsection (a)(2).

10 “(d) REPORTS.—Not later than 1 year after the date
11 of enactment of this title, and annually thereafter, the Sec-
12 retary shall—

13 “(1) submit to Congress a report that details
14 the collaborative efforts carried out under subsection
15 (a), the progress made on standardizing quality indi-
16 cators throughout the Federal Government, and the
17 state of quality measurement for priority areas that
18 links data to the report submitted under paragraph
19 (2) for the year involved; and

20 “(2) submit to Congress a report that details
21 areas of clinical care requiring further research nec-
22 essary to establish effective clinical treatments that
23 will serve as a basis for additional quality indicators.

24 “(e) COMPARATIVE QUALITY REPORTS.—Beginning
25 not later than 3 years after the date of enactment of this

1 title, in order to make comparative quality information
 2 available to health care consumers, including members of
 3 health disparity populations, health professionals, public
 4 health officials, researchers, and other appropriate individ-
 5 uals and entities, the Secretaries shall provide for the pool-
 6 ing, analysis, and dissemination of quality measures col-
 7 lected under this section. Nothing in this section shall be
 8 construed as modifying the privacy standards under the
 9 Health Insurance Portability and Accountability Act of
 10 1996 (Public Law 104–191).

11 “(f) ONGOING EVALUATION OF USE.—The Secretary
 12 of Health and Human Services shall ensure the ongoing
 13 evaluation of the use of the health care quality measures
 14 established under this section.

15 “(g) EVALUATION AND REGULATIONS.—

16 “(1) EVALUATION.—

17 “(A) IN GENERAL.—The Secretary shall,
 18 directly or indirectly through a contract with
 19 another entity, conduct an evaluation of the col-
 20 laborative efforts of the Secretaries to establish
 21 uniform health care quality measures and re-
 22 porting requirements for federally supported
 23 health care delivery programs as required under
 24 this section.

1 “(B) REPORT.—Not later than 1 year
2 after the date of enactment of this title, the
3 Secretary of Health and Human Services shall
4 submit a report to the appropriate committees
5 of Congress concerning the results of the eval-
6 uation under subparagraph (A).

7 “(2) REGULATIONS.—

8 “(A) PROPOSED.—Not later than 6
9 months after the date on which the report is
10 submitted under paragraph (1)(B), the Sec-
11 retary shall publish proposed regulations re-
12 garding the application of the uniform health
13 care quality measures and reporting require-
14 ments described in this section to federally sup-
15 ported health delivery programs.

16 “(B) FINAL REGULATIONS.—Not later
17 than 1 year after the date on which the report
18 is submitted under paragraph (1)(B), the Sec-
19 retary shall publish final regulations regarding
20 the uniform health care quality measures and
21 reporting requirements described in this section.

22 “(h) DEFINITIONS.—In this section, the term ‘feder-
23 ally supported health delivery program’ means a program
24 that is funded by the Federal Government under which

- 1 health care items or services are delivered directly to pa-
- 2 tients.”.

