

109TH CONGRESS
1ST SESSION

S. 1952

To provide grants for rural health information technology development activities.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 2, 2005

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

A BILL

To provide grants for rural health information technology development activities.

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 “Critical Access to
5 Health Information Technology Act of 2005”.

6 **SEC. 2. HEALTH INFORMATION TECHNOLOGY GRANT PRO-**
7 **GRAM.**

8 (a) IN GENERAL.—The Secretary of Health and
9 Human Services (referred to in this section as the “Sec-
10 retary”) shall establish and implement a program to

1 award grants to increase access to health care in rural
2 areas by improving health information technology, includ-
3 ing the reporting, monitoring, and evaluation required
4 under this section.

5 (b) STATE GRANTS.—The Secretary shall award
6 grants to States to be used to carry out the State plan
7 under subsection (e) through the awarding of subgrants
8 to local entities within the State. Amounts awarded under
9 such a grant may only be used in the fiscal year in which
10 the grant is awarded or in the immediately subsequent fis-
11 cal year.

12 (c) AMOUNT OF GRANT.—From amounts appro-
13 priated under subsection (k) for each fiscal year, the Sec-
14 retary shall award a grant to each State that complies
15 with subsection (e) in an amount that is based on the total
16 number of critical access hospitals in the State (as cer-
17 tified by the Secretary under section 1817(e) of the Social
18 Security Act) bears to the total number of critical access
19 hospitals in all States that comply with subsection (e).

20 (d) LEAD AGENCY.—A State that receives a grant
21 under this section shall designate a lead agency to—

22 (1) administer, directly or through other gov-
23 ernmental or nongovernmental agencies, the finan-
24 cial assistance received under the grant;

1 (2) develop, in consultation with appropriate
2 representatives of units of general purpose local gov-
3 ernment and the hospital association of the State,
4 the State plan; and

5 (3) coordinate the expenditure of funds and
6 provision of services under the grant with other Fed-
7 eral and State health care programs.

8 (e) STATE PLAN.—To be eligible for a grant under
9 this section, a State shall establish a State plan that
10 shall—

11 (1) identify the State's lead agency;

12 (2) provide that the State shall use the
13 amounts provided to the State under the grant pro-
14 gram to address health information technology im-
15 provements and to pay administrative costs incurred
16 in connection with providing the assistance to local
17 grant recipients;

18 (3) provide that benefits shall be available
19 throughout the entire State; and

20 (4) require that the lead agency consult with
21 the hospital association of such State and rural hos-
22 pitals located in such State on the most appropriate
23 ways to use the funds received under the grant.

24 (f) AWARDING OF LOCAL GRANTS.—

1 (1) IN GENERAL.—The lead agency of a State
2 shall use amounts received under a grant under sub-
3 section (a) to award local grants on a competitive
4 basis. In determining whether a local entity is eligi-
5 ble to receive a grant under this subsection, the lead
6 agency shall utilize the following selection criteria:

7 (A) The extent to which the entity dem-
8 onstrates a need to improve its health informa-
9 tion reporting and health information tech-
10 nology.

11 (B) The extent to which the entity will
12 serve a community with a significant low-in-
13 come or other medically underserved population.

14 (2) APPLICATION AND APPROVAL.—To be eligi-
15 ble to receive a local grant under this subsection, an
16 entity shall be a government-owned or private non-
17 profit hospital (including a non-Federal short-term
18 general acute care facility that is a critical access
19 hospital located outside a Metropolitan Statistical
20 Area, in a rural census tract of a Metropolitan Sta-
21 tistical Area as determined under the most recent
22 version of the Goldsmith Modification or the Rural-
23 Urban Commuting Area codes, as determined by the
24 Office of Rural Health Policy of the Health Re-
25 sources and Services Administration, or is located in

1 an area designated by any law or regulation of the
2 State in which the hospital is located as a rural area
3 (or is designated by such State as a rural hospital
4 or organization)) that submits an application to the
5 lead agency of the State that—

6 (A) includes a description of how the hos-
7 pital intends to use the funds provided under
8 the grant;

9 (B) includes such information as the State
10 lead agency may require to apply the selection
11 criteria described in paragraph (1);

12 (C) includes measurable objectives for the
13 use of the funds provided under the grant;

14 (D) includes a description of the manner in
15 which the applicant will evaluate the effective-
16 ness of the activities carried out under the
17 grant;

18 (E) contains an agreement to maintain
19 such records, make such reports, and cooperate
20 with such reviews or audits as the lead agency
21 and the Secretary may find necessary for pur-
22 poses of oversight of program activities and ex-
23 penditures;

1 (F) contains a plan for sustaining the ac-
2 tivities after Federal support for the activities
3 has ended; and

4 (G) contains such other information and
5 assurances as the Secretary may require.

6 (3) USE OF AMOUNTS.—

7 (A) IN GENERAL.—An entity shall use
8 amounts received under a local grant under this
9 section to—

10 (i) offset the costs incurred by the en-
11 tity after December 31, 2005, that are re-
12 lated to clinical health care information
13 systems and health information technology
14 designed to improve quality of health care
15 and patient safety; and

16 (ii) offset costs incurred by the entity
17 after December 31, 2005, that are related
18 to enabling health information technology
19 to be used for the collection and use of
20 clinically specific data, promoting the
21 interoperability of health care information
22 across health care settings, including re-
23 porting to Federal and State agencies, and
24 facilitating clinic decision support through
25 the use of health information technology.

1 (B) ELIGIBLE COSTS.—Costs that are eli-
2 gible to be offset under subparagraph (A) shall
3 include the cost of—

4 (i) purchasing, leasing, and installing
5 computer software and hardware, including
6 handheld computer technologies, and re-
7 lated services;

8 (ii) making improvements to existing
9 computer software and hardware;

10 (iii) purchasing or leasing communica-
11 tions capabilities necessary for clinical data
12 access, storage, and exchange;

13 (iv) services associated with acquiring,
14 implementing, operating, or optimizing the
15 use of new or existing computer software
16 and hardware and clinical health care in-
17 formation systems;

18 (v) providing education and training
19 to staff on information systems and tech-
20 nology designed to improve patient safety
21 and quality of care; and

22 (vi) purchasing, leasing, subscribing,
23 integrating, or servicing clinical decision
24 support tools that integrate patient-specific
25 clinic data with well-established national

1 treatment guidelines, and provide ongoing
2 continuous quality improvement functions
3 that allow providers to assess improvement
4 rates over time and against averages for
5 similar providers.

6 (4) GRANT LIMIT.—The amount of a local
7 grant under this subsection shall not exceed
8 \$250,000.

9 (g) REPORTING, MONITORING, AND EVALUATION.—
10 The lead agency of a State that receives a grant under
11 this section shall annually report to the Secretary—

12 (1) the amounts received under the grant;

13 (2) the amounts allocated to State grant recipi-
14 ents under the grant;

15 (3) the breakdown of types of expenditures
16 made by the local grant recipients with such funds;
17 and

18 (4) such other information required by the Sec-
19 retary to assist the Secretary in monitoring the ef-
20 fectiveness of activities carried out under this grant.

21 (h) REVIEW OF COMPLIANCE WITH STATE PLAN.—
22 The Secretary shall review and monitor State compliance
23 with the requirements of this section and the State plan
24 submitted under subsection (e). If the Secretary, after rea-
25 sonable notice to a State and opportunity for a hearing,

1 finds that there has been a failure by the State to comply
 2 substantially with any provision or requirement set forth
 3 in the State plan or the requirements of this section, the
 4 Secretary shall notify the lead agency involved of such
 5 finding and that no further payments to the State will be
 6 made with respect to the grant until the Secretary is satis-
 7 fied that the State is in compliance or that the noncompli-
 8 ance will be promptly corrected.

9 (i) PREEMPTION OF CERTAIN LAWS.—The provisions
 10 of this section shall preempt applicable Federal and State
 11 procurement laws with respect to health information tech-
 12 nology purchased under this section.

13 (j) RELATION TO OTHER PROGRAMS.—Amounts ap-
 14 propriated under this section shall be in addition to appro-
 15 priations for Federal programs for Rural Hospital FLEX
 16 grants, Rural Health Outreach grants, and Small Rural
 17 Hospital Improvement Program grants.

18 (k) AUTHORIZATION OF APPROPRIATIONS.—There is
 19 authorized to be appropriated to carry out this section,
 20 \$10,000,000 for each of fiscal years 2006 through 2008.

21 **SEC. 3. REPLACEMENT OF THE INTERNATIONAL STATIS-**
 22 **TICAL CLASSIFICATION OF DISEASES.**

23 (a) IN GENERAL.—Not later than October 1, 2006,
 24 the Secretary of Health and Human Services shall promul-
 25 gate a final rule concerning the replacement of the Inter-

1 national Statistical Classification of Diseases, 9th revision,
2 Clinical Modification (referred to in this section as the
3 “ICD–9–CM”), under the regulation promulgated under
4 section 1173(c) of the Social Security Act (42 U.S.C.
5 1320d–2(e)), including for purposes of part A of title
6 XVIII, or part B where appropriate, of such Act, with the
7 use of each of the following:

8 (1) The International Statistical Classification
9 of Diseases and Related Health Problems, 10th revision,
10 Clinical Modification (referred to in this section
11 as “ICD–10–CM”).

12 (2) The International Statistical Classification
13 of Diseases and Related Health Problems, 10th revision,
14 Clinical Modification Coding System (referred
15 to in this section as “ICD–10–PCS”).

16 (b) IMPLEMENTATION.—

17 (1) IN GENERAL.—The Secretary of Health and
18 Human Services shall ensure that the rule promul-
19 gated under subsection (a) is implemented by not
20 later than October 1, 2009. In carrying out the pre-
21 ceding sentence, the Secretary shall ensure that such
22 rule ensure that Accredited Standards Committee
23 X12 HIPAA transactions version (v) 4010 is up-
24 graded to a newer version 5010, and that the Na-
25 tional Council for Prescription Drug Programs Tele-

1 communications Standards version 5.1 is updated to
2 a newer version (to be released by the named by the
3 National Council for Prescription Drug Programs
4 Telecommunications Standards) that supersedes, in
5 part, existing legislation and regulations under the
6 Health Insurance Portability and Accountability Act
7 of 1996.

8 (2) AUTHORITY.—The Secretary of Health and
9 Human Services shall have the authority to adopt,
10 without notice and comment rulemaking, standards
11 for electronic health care transactions under section
12 1173 of the Social Security Act (42 U.S.C. 1320d–
13 2) that are recommended to the Secretary by the
14 Accredited Standards Committee X12 of the Amer-
15 ican National Standards Institute in relation to the
16 replacement of ICD–9–CM with ICD–10–CM and
17 ICD–10–PCS. Such modifications shall be published
18 in the Federal Register.

19 (c) NOTICE OF INTENT.—Not later than 30 days
20 after the date of enactment of this Act, the Secretary of
21 Health and Human Services shall issue and publish in the
22 Federal Register a Notice of Intent that—

23 (1) adoption of Accredited Standards Com-
24 mittee X12 HIPAA transactions version (v) 5010
25 shall occur not later than April 1, 2007, and compli-

1 ance with such rule shall apply to transactions oc-
2 curring on or after April 1, 2009;

3 (2) adoption of the National Council for Pre-
4 scription Drug Programs Telecommunications
5 Standards version 5.1 with a new version will occur
6 not later than April 1, 2007, and compliance with
7 such rule shall apply to transactions occurring on or
8 after April 1, 2009;

9 (3) adoption of ICD-10-CM and ICD-10-PCS
10 will occur not later than October 1, 2006, and com-
11 pliance with such rules shall apply to transactions
12 occurring on or after October 1, 2009; and

13 (4) covered entities and health technology ven-
14 dors under the Health Insurance Portability and Ac-
15 countability Act of 1996 shall begin the process of
16 planning for and implementing the updating of the
17 new versions and editions referred to in this sub-
18 section.

19 (d) ASSURANCES OF CODE AVAILABILITY.—The Sec-
20 retary of Health and Human Services shall take such ac-
21 tion as may be necessary to ensure that procedure codes
22 are promptly available for assignment and use under ICD-
23 9-CM until such time as ICD-9-CM is replaced as a code
24 set standard under section 1173(c) of the Social Security
25 Act with ICD-10-PCS.

1 (e) DEADLINE.—Notwithstanding section 1172(f) of
2 the Social Security Act (42 U.S.C. 1320d–1(f)), the Sec-
3 retary of Health and Human Services shall adopt the
4 modifications provided for in this section without a rec-
5 ommendation of the National Committee on Vital and
6 Health Statistics unless such recommendation is made to
7 the Secretary on or before a date specified by the Sec-
8 retary as consistent with the implementation of the re-
9 placement of ICD–9–CM with ICD–10–CM and ICD-10-
10 PCS for transactions occurring on or after October 1,
11 2009.

12 (f) LIMITATION ON JUDICIAL REVIEW.—The rule
13 promulgated under subsection (a) shall not be subject to
14 judicial review.

15 (g) APPLICATION.—The rule promulgated under sub-
16 section (a) shall apply to transactions occurring on or
17 after October 1, 2009.

18 (h) RULE OF CONSTRUCTION.—Nothing in this sec-
19 tion shall be construed as effecting the application of clas-
20 sification methodologies or codes, such as the Current
21 Procedural Terminology (CPT) as maintained and distrib-
22 uted by the American Medical Association and the
23 Healthcare Common Procedure Coding System (HCPCS)
24 as maintained and distributed by the Department of
25 Health and Human Services, other than under the Inter-

- 1 national Statistical Classification of Disease and Related
- 2 Health Problems.

