

109TH CONGRESS
2D SESSION

S. 2359

To amend title XVIII of the Social Security Act to establish a Hospital Quality Report Card Initiative under the Medicare program to assess and report on health care quality in hospitals.

IN THE SENATE OF THE UNITED STATES

MARCH 2, 2006

Mr. OBAMA introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to establish a Hospital Quality Report Card Initiative under the Medicare program to assess and report on health care quality in hospitals.

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 “Hospital Quality Re-
5 port Card Act of 2006”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to expand hospital quality
8 reporting by establishing the Hospital Quality Report

1 Card Initiative under the Medicare program to ensure that
 2 hospital quality measures data are readily available and
 3 accessible in order to—

4 (1) assist patients and consumers in making de-
 5 cisions about where to get health care;

6 (2) assist purchasers and insurers in making
 7 decisions that determine where employees, sub-
 8 scribers, members, or participants are able to go for
 9 their health care;

10 (3) assist health care providers in identifying
 11 opportunities for quality improvement and cost con-
 12 tainment; and

13 (4) enhance the understanding of policy makers
 14 and public officials of health care issues, raise public
 15 awareness of hospital quality issues, and to help con-
 16 stituents of such policy makers and officials identify
 17 quality health care options.

18 **SEC. 3. HOSPITAL QUALITY REPORT CARD INITIATIVE.**

19 (a) IN GENERAL.—Title XVIII of the Social Security
 20 Act (42 U.S.C. 1395 et seq.) is amended by adding at
 21 the end the following new section:

22 **“SEC. 1898. HOSPITAL QUALITY REPORT CARD INITIATIVE.**

23 “(a) IN GENERAL.—Not later than 18 months after
 24 the date of the enactment of the Hospital Quality Report
 25 Card Act of 2006, the Secretary, acting through the Ad-

1 administrator of the Centers for Medicare & Medicaid Serv-
 2 ices (in this section referred to as the ‘Administrator’) and
 3 in consultation with the Director of the Agency for
 4 Healthcare Research and Quality, shall, directly or
 5 through contracts with States, establish and implement a
 6 Hospital Quality Report Card Initiative (in this section re-
 7 ferred to as the ‘Initiative’) to report on health care qual-
 8 ity in subsection (d) hospitals.

9 “(b) SUBSECTION (d) HOSPITAL.—For purposes of
 10 this section, the term ‘subsection (d) hospital’ has the
 11 meaning given such term in section 1886(d)(1)(B).

12 “(c) REQUIREMENTS OF INITIATIVE.—

13 “(1) QUALITY MEASUREMENT REPORTS FOR
 14 HOSPITALS.—

15 “(A) QUALITY MEASURES.—Not less than
 16 2 times each year, the Secretary shall publish
 17 reports on hospital quality. Such reports shall
 18 include quality measures data submitted under
 19 section 1886(b)(3)(B)(viii), and other data as
 20 feasible, that allow for an assessment of health
 21 care—

22 “(i) effectiveness;

23 “(ii) safety;

24 “(iii) timeliness;

25 “(iv) efficiency;

1 “(v) patient-centeredness; and

2 “(vi) equity.

3 “(B) REPORT CARD FEATURES.—In col-
4 lecting and reporting data as provided for
5 under subparagraph (A), the Secretary shall in-
6 clude hospital information, as possible, relating
7 to—

8 “(i) staffing levels of nurses and other
9 health professionals, as appropriate;

10 “(ii) rates of nosocomial infections;

11 “(iii) the volume of various procedures
12 performed;

13 “(iv) the availability of interpreter
14 services on-site;

15 “(v) the accreditation of hospitals, as
16 well as sanctions and other violations
17 found by accreditation or State licensing
18 boards;

19 “(vi) the quality of care for various
20 patient populations, including pediatric
21 populations and racial and ethnic minority
22 populations;

23 “(vii) the availability of emergency
24 rooms, intensive care units, obstetrical
25 units, and burn units;

1 “(viii) the quality of care in various
 2 hospital settings, including inpatient, out-
 3 patient, emergency, maternity, and inten-
 4 sive care unit settings;

5 “(ix) the use of health information
 6 technology, telemedicine, and electronic
 7 medical records;

8 “(x) ongoing patient safety initiatives;
 9 and

10 “(xi) other measures determined ap-
 11 propriate by the Secretary.

12 “(C) TAILORING OF HOSPITAL QUALITY
 13 REPORTS.—The Director of the Agency for
 14 Healthcare Research and Quality may modify
 15 and publish hospital reports to include quality
 16 measures for diseases and health conditions of
 17 particular relevance to certain regions, States,
 18 or local areas.

19 “(D) RISK ADJUSTMENT.—

20 “(i) IN GENERAL.—In reporting data
 21 as provided for under subparagraph (A),
 22 the Secretary may risk adjust quality
 23 measures to account for differences relat-
 24 ing to—

1 “(I) the characteristics of the re-
2 porting hospital, such as licensed bed
3 size, geography, teaching hospital sta-
4 tus, and profit status; and

5 “(II) patient characteristics, such
6 as health status, severity of illness, in-
7 surance status, and socioeconomic sta-
8 tus.

9 “(ii) AVAILABILITY OF UNADJUSTED
10 DATA.—If the Secretary reports data
11 under subparagraph (A) using risk-ad-
12 justed quality measures, the Secretary
13 shall establish procedures for making the
14 unadjusted data available to the public in
15 a manner determined appropriate by the
16 Secretary.

17 “(E) COSTS.—The Secretary shall—

18 “(i) compile data relating to the aver-
19 age hospital cost for ICD-9 conditions for
20 which quality measures data are collected;
21 and

22 “(ii) report such information in a
23 manner that allows cost comparisons be-
24 tween or among subsection (d) hospitals.

1 “(F) VERIFICATION.—Under the Initiative,
2 the Secretary may verify data reported under
3 this paragraph to ensure accuracy and validity.

4 “(G) DISCLOSURE.—The Secretary shall
5 disclose the entire methodology for the report-
6 ing of data under this paragraph to all relevant
7 organizations and all subsection (d) hospitals
8 that are the subject of any such information
9 that is to be made available to the public prior
10 to the public disclosure of such information.

11 “(H) PUBLIC INPUT.—The Secretary shall
12 provide an opportunity for public review and
13 comment with respect to the quality measures
14 to be reported for subsection (d) hospitals
15 under this section for at least 60 days prior to
16 the finalization by the Secretary of the quality
17 measures to be used for such hospitals.

18 “(I) AVAILABILITY OF REPORTS AND FIND-
19 INGS.—

20 “(i) ELECTRONIC AVAILABILITY.—
21 The Secretary shall ensure that reports are
22 made available under this section in an
23 electronic format, in an understandable
24 manner with respect to various populations
25 (including those with low functional health

literacy), and in a manner that allows health care quality comparisons to be made between local hospitals.

“(ii) FINDINGS.—The Secretary shall establish procedures for making report findings available to the public, upon request, in a non-electronic format, such as through the toll-free telephone number 1–800–MEDICARE.

“(J) IDENTIFICATION OF METHODOLOGY.—The analytic methodologies and limitations on data sources utilized by the Secretary to develop and disseminate the comparative data under this section shall be identified and acknowledged as part of the dissemination of such data, and include the appropriate and inappropriate uses of such data.

“(K) ADVERSE SELECTION OF PATIENTS.—On at least an annual basis, the Secretary shall compare quality measures data submitted by each subsection (d) hospital under section 1886(b)(3)(B)(viii) with data submitted in the prior year or years by the same hospital in order to identify and report actions that would lead to false or artificial improvements in

1 the hospital's quality measurements, includ-
2 ing—

3 “(i) adverse selection against patients
4 with severe illness or other factors that
5 predispose patients to poor health out-
6 comes; and

7 “(ii) provision of health care that does
8 not meet established recommendations or
9 accepted standards for care.

10 “(2) DATA SAFEGUARDS.—

11 “(A) UNAUTHORIZED USE AND DISCLO-
12 SURE.—The Secretary shall develop and imple-
13 ment effective safeguards to protect against the
14 unauthorized use or disclosure of hospital data
15 that is reported under this section.

16 “(B) INACCURATE INFORMATION.—The
17 Secretary shall develop and implement effective
18 safeguards to protect against the dissemination
19 of inconsistent, incomplete, invalid, inaccurate,
20 or subjective hospital data.

21 “(C) IDENTIFIABLE DATA.—The Secretary
22 shall ensure that identifiable patient data shall
23 not be released to the public.

24 “(d) GRANTS AND TECHNICAL ASSISTANCE.—The
25 Secretary may award grants to national or State organiza-

1 tions, partnerships, or other entities that may assist with
 2 hospital quality improvement.

3 “(e) HOSPITAL QUALITY ADVISORY COMMITTEE.—

4 “(1) ESTABLISHMENT.—The Administrator, in
 5 consultation with the Director of the Agency for
 6 Healthcare Research and Quality, shall establish the
 7 Hospital Quality Advisory Committee (in this sub-
 8 section referred to as the ‘Advisory Committee’) to
 9 provide advice to the Administrator on the submis-
 10 sion, collection, and reporting of quality measures
 11 data. The Administrator shall serve as the chair-
 12 person of the Advisory Committee.

13 “(2) MEMBERSHIP.—The Advisory Committee
 14 shall include representatives of the following (except
 15 with respect to subparagraphs (A) through (D), to
 16 be appointed by the Administrator):

17 “(A) The Agency for Healthcare Research
 18 and Quality.

19 “(B) The Health Resources and Services
 20 Administration.

21 “(C) The Department of Veterans Affairs.

22 “(D) The Centers for Disease Control and
 23 Prevention.

24 “(E) National membership organizations
 25 that focus on health care quality improvement.

1 “(F) Public and private hospitals.

2 “(G) Physicians, nurses, and other health
3 professionals.

4 “(H) Patients and patient advocates.

5 “(I) Health insurance purchasers and
6 other payers.

7 “(J) Health researchers, policymakers, and
8 other experts in the field of health care quality.

9 “(K) Health care accreditation entities.

10 “(L) Other agencies and groups as deter-
11 mined appropriate by the Administrator.

12 “(3) DUTIES.—The Advisory Committee shall
13 review and provide guidance and recommendations
14 to the Administrator on—

15 “(A) the establishment of the Initiative;

16 “(B) integration and coordination of Fed-
17 eral quality measures data submission require-
18 ments, to avoid needless duplication and ineffi-
19 ciency;

20 “(C) legal and regulatory barriers that
21 may hinder quality measures data collection
22 and reporting; and

23 “(D) necessary technical and financial as-
24 sistance to encourage quality measures data col-
25 lection and reporting;

1 “(4) STAFF AND RESOURCES.—The Adminis-
 2 trator shall provide the Advisory Committee with ap-
 3 propriate staff and resources for the functioning of
 4 the Advisory Committee.

5 “(5) DURATION.—The Advisory Committee
 6 shall terminate at the discretion of the Adminis-
 7 trator, but in no event later than 5 years after the
 8 date of enactment of this section.

9 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
 10 are authorized to be appropriated to carry out this section
 11 such sums as may be necessary for each of fiscal years
 12 2007 through 2016.”.

13 (b) CONFORMING AMENDMENT.—Section
 14 1886(b)(3)(B)(viii) of the Social Security Act (42 U.S.C.
 15 1395ww(b)(3)(B)(viii)), as added by section 5001 of the
 16 Deficit Reduction Act of 2005, is amended to read as fol-
 17 lows:

18 “(VII) The Secretary shall use the
 19 data submitted under this clause for the
 20 Hospital Quality Report Card Initiative
 21 under section 1898.”.

22 **SEC. 4. EVALUATION OF THE HOSPITAL QUALITY REPORT**
 23 **CARD INITIATIVE.**

24 (a) IN GENERAL.—The Director of the Agency for
 25 Healthcare Research and Quality, directly or through con-

1 tract, shall evaluate and periodically report to Congress
2 on the effectiveness of the Hospital Quality Report Card
3 Initiative established under section 1898 of the Social Se-
4 curity Act, as added by section 3, including the effective-
5 ness of the Initiative in meeting the purpose described in
6 section 2. The Director shall make such reports available
7 to the public.

8 (b) RESEARCH.—The Director of the Agency for
9 Healthcare Research and Quality, in consultation with the
10 Administrator of the Centers for Medicare & Medicaid
11 Services, shall use the outcomes from the evaluation con-
12 ducted pursuant to subsection (a) to increase the useful-
13 ness of the Hospital Quality Report Card Initiative, par-
14 ticularly for patients, as necessary.

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