111TH CONGRESS 1ST SESSION

H. R. 1940

To amend the Public Health Service Act to establish a Wellness Trust.

IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 2009

Ms. Matsui (for herself, Mr. Braley of Iowa, Mrs. Capps, and Mr. Sar-Banes) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend the Public Health Service Act to establish a Wellness Trust.

- 1 Be it enacted by the Senate and House of Representa2 tives of the United States of America in Congress assembled,
 3 SECTION 1. SHORT TITLE.
 4 This Act may be cited as the "Wellness Trust Act".
 5 SEC. 2. FINDINGS AND PURPOSE.
 6 (a) FINDINGS.—Congress finds as follows:
 7 (1) Preventable and chronic diseases are the
- 7 (1) Preventable and chronic diseases are the 8 epidemic of the 21st century. The number of people 9 with chronic conditions is rapidly increasing and it 10 is estimated that, if there is no intervention now, by

- 2025 nearly half of the United States population will suffer from at least 1 chronic disease. About 70 percent of deaths and health costs in the United States are attributable to chronic diseases (such as cardiovascular disease and cancer), some of which may be preventable. Nearly 90 percent of Medicare beneficiaries have some type of chronic illness.
 - (2) This affects Americans' health. The United States has the highest rate of preventable deaths among 19 industrialized nations and lags behind 28 other nations in life expectancy. For example, obesity, which is rising rapidly, contributes to a wide range of problems, from diabetes to stroke to cancer. The life expectancy for a 20-year old man may be reduced by 17 percent due to obesity. If trends continue, children's life spans may be shorter than those of their parents for the first time in about a century.
 - (3) The wellness gap also affects health care costs. About 78 percent of all health spending in the United States is attributable to chronic illness, much of which is preventable. Chronic diseases cost the United States an additional \$1,000,000,000,000 each year in lost productivity, and are a major contributing factor to the overall poor health that is

- placing the Nation's economic security and competitiveness in jeopardy.
 - (4) Unlike some health care challenges, proven preventive services and programs exist. If effective risk reduction were implemented and sustained by 2015, the death rate due to cancer could drop by 29 percent. Improved blood sugar control for people with diabetes could reduce the risk for eye disease, kidney disease, and nerve disease by 40 percent. Similarly, blood pressure control could reduce the risk for heart disease and stroke by 33 to 50 percent.
 - (5) Yet, only half of recommended clinical preventive services are provided to adults. About 20 percent of children do not receive all recommended immunizations, with higher rates in certain areas. Nearly 70 percent of people with high blood pressure do not now control it. And racial disparities in use of prevention exist.
 - (6) The United States faces low use of preventive services because of the low value placed on prevention, a delivery system bent toward fixing rather than preventing problems, and financial disincentives for prevention. Insurers have little incentive to invest in preventive services today that will benefit other

- insurers tomorrow. This is especially true for those
 preventive services that reduce chronic diseases that
 develop over a period of several years or decades.
- The costs of prevention are incurred immediately but most of its benefits are realized later, often by Medicare.
 - (7) There is a low investment in prevention. The United States spends only an estimated 1 to 3 percent of national health expenditures on preventive health care services and health promotion. This has not increased as much as one might expect since 1929, 1.4 percent, despite the development of expensive screenings, early interventions, and the growth of the preventable disease burden.
 - (8) The workforce to deliver prevention is also insufficient. The supply of providers who are trained to emphasize prevention is shrinking. Between 1997 and 2005, the number of medical school graduates entering family practice residencies dropped by 50 percent. There is an acute shortage of community health workers. Between 25 and 50 percent of the existing Federal, State, and local public health workforce is eligible for retirement in the next 5 years. As of 2008, more than 75 percent of the existing public health workforce has no formal public health

- or prevention training. There is no national, uniform credentialing system for public health or prevention workers that would ensure that these workers are trained in the basics of preventive care.
 - (9) A system that promoted full use of high-priority prevention could save lives. A recent comprehensive assessment found that 1,200,000 qualityadjusted life years could be saved by achieving 90 percent use of just the following 3 services:
 - (A) Smoking cessation counseling.
 - (B) Use of aspirin to prevent heart attacks.
 - (C) Screening for colorectal cancer.
 - (10) A system that promoted full use of high-priority prevention could reduce costs. For example, complete, routine childhood vaccination could save up to \$40,000,000,000 in direct and societal costs over time. Promoting screenings and behavioral modifications in the workplace can lower absentee-ism and, in most cases, health costs to firms. Preventive health care services could reduce government spending on health care. If all elderly received a flu vaccine, health costs could be reduced by nearly \$1,000,000,000,000 per year. Over 25 years, Medicare could save an estimated \$890,000,000,000 from ef-

- of 1 fective hypertension, control and 2 \$1,000,000,000,000 from returning to levels of obesity observed in the 1980s. 3 (11) Investing in community-level interventions 5 that promote and enable proper nutrition, increased 6 access to physical activity, and smoking cessation 7 programs can prevent and mitigate chronic diseases, 8 improve quality of life, increase economic produc-9 tivity, and reduce healthcare costs. 10 (b) Purpose.—The purpose of this Act is to create 11 a 21st century prevention system called the Wellness 12 Trust that assures access to clinical and community-level prevention services that improve health, quality of life, and 14 reduce healthcare costs. 15 SEC. 3. WELLNESS TRUST. 16 Title III of the Public Health Service Act (21 U.S.C. 241 et seq.) is amended by adding at the end the fol-18 lowing: 19 "PART S—WELLNESS TRUST 20 "SEC. 399KK. DEFINITIONS; ESTABLISHMENT OF WELLNESS 21 TRUST.
- 22 "(a) DEFINITIONS.—In this part:
- 23 "(1) CERTIFIED PREVENTION HEALTH WORK-24 ER.—The term 'certified prevention health worker' 25 means a licensed health professional, a public health

- 1 professional employed by a State or local public
- 2 health agency, or any other health worker deemed
- 3 certified by the Trustees.
- 4 "(2) Prevention Health Entity.—The term
- 5 'prevention health entity' means a State or local
- 6 public health agency or other community-based pre-
- 7 vention entity deemed to be an eligible Trust partici-
- 8 pant by the Trustees.
- 9 "(3) Trust.—The term 'Trust' means the
- Wellness Trust established under subsection (b).
- 11 "(4) Trustees.—The term 'Trustees' means
- the members of the Trust Fund Board appointed
- under section 399LL(b).
- 14 "(b) Establishment of the Wellness Trust.—
- 15 There is established within the Centers for Disease Con-
- 16 trol and Prevention the Wellness Trust.
- 17 "SEC. 399LL, STRUCTURE,
- 18 "(a) Trust Fund Board.—The Trust shall be
- 19 headed by the Trust Fund Board.
- 20 "(b) Composition.—The Trust Fund Board shall be
- 21 composed of 7 members appointed by the President by and
- 22 with the advice and consent of the Senate.
- 23 "(c) Date of Appointments.—The initial 7 Trust-
- 24 ees shall be appointed not later than December 31, 2009.

- 1 "(d) Staggered Terms.—Of the members first ap-
- 2 pointed under subsection (c)—
- 3 "(1) 4 shall be appointed for a period of 4
- 4 years; and
- 5 "(2) 3 shall be appointed for a period of 3
- 6 years.
- 7 "(e) Vacancies.—A vacancy on the Trust Fund
- 8 Board—
- 9 "(1) shall not affect the powers of the Trust
- 10 Fund Board; and
- 11 "(2) shall be filled in the same manner as the
- original appointment was made.
- 13 "(f) Meetings.—The Trust Fund Board shall meet
- 14 at the call of the Chairperson.
- 15 "(g) Quorum; Required Votes.—A majority of
- 16 Trustees shall constitute a quorum for purposes of voting,
- 17 but a lesser number of members may hold hearings. The
- 18 Chairperson shall require a vote of the Trustees on major
- 19 decisions regarding prevention priorities, resource alloca-
- 20 tion, delivery system structure, and other Trust functions.
- 21 "(h) Chairperson and Vice Chairperson.—The
- 22 Trust Fund Board shall select a Chairperson and Vice
- 23 Chairperson from among the Trustees.
- 24 "(i) Removal.—A Trustee may be removed by the
- 25 President only for cause.

- 1 "(j) RECOMMENDATIONS.—The Trustees may submit
- 2 recommendations directly to Congress, without oppor-
- 3 tunity for comment or change by the Secretary.
- 4 "(k) STAFF.—The Trustees may employ and fix the
- 5 compensation of personnel as necessary. Not more than
- 6 5 percent of the funds appropriated in a fiscal year to
- 7 the Trust Fund established under section 399NN may be
- 8 used to fund the staff, operations, and other purposes as
- 9 the Trustees determine appropriate of the Trust Fund
- 10 Board, subject to the oversight of the Secretary.

11 "SEC. 399MM. REPORTS; PLAN FOR DELIVERY SYSTEMS.

- 12 "(a) Development of Key Reports.—Not later
- 13 than 1 year after the appointment of the Trustees under
- 14 section 399LL(c), the Trustees shall submit to Congress
- 15 and make publicly available the following reports:
- 16 "(1) Report on broadening the preven-
- 17 TION WORKFORCE.—A report that develops and de-
- scribes a system for certification and recertification
- of 'prevention health workers' to complement the
- 20 health system and public health infrastructure as in
- 21 existence at the time of such report. Such system
- 22 may expand certification efforts in existence at the
- 23 time of such report for the public health workforce
- and community health workers. Such report shall
- also examine the impact of State licensing require-

- ments and explore and describe options for health profession training and continuing education, 1 or more registries of certified prevention health workers, and an employment structure that encourages flexible deployment but protects prevention health workers' benefits.
 - "(2) Report on aligning payments with Prevention goals.—A report that examines and describes payment methodologies and presents options for paying certified prevention health workers for clinical preventive care that aligns incentives with goals, as well as payment methodologies for community organizations involved in the provision of prevention services. Such report shall address the shortfalls of the payment systems in existence at the time of such report that have not proven effective at encouraging the provision of prevention services.
 - "(3) Report on identifying existing funding for prevention.—A report that examines and describes the amount of money spent on prevention by public health, public and private health insurers, and applicable self-insured health plans (as defined in section 39900) during the most recent year for which such data is available.

- 1 "(b) Plan for Delivery Systems.—Not later than
- 2 1 year after the appointment of the Trustees under section
- 3 399LL(c), the Trustees shall establish a plan for deliv-
- 4 ering and financing prevention priorities and imple-
- 5 menting pilot programs. Such plan shall include—
- 6 "(1) identifying effective delivery systems based
- 7 on evidence and expert judgment to determine how
- 8 best to deliver priority clinical and community-based
- 9 prevention activities;
- 10 "(2) assessing the current capacity of effective
- delivery systems and community infrastructure and
- actions necessary to ensure adequate infrastructure
- and capacity to deliver priority clinical and commu-
- 14 nity-based prevention activities as determined by the
- 15 Trust; and
- "(3) identifying cost-saving clinical and commu-
- 17 nity-based interventions to implement before Decem-
- ber 31, 2011, which shall include evidence-based
- interventions in obesity, diabetes, heart disease, and
- 20 cancer.

21 "SEC. 399NN. INFRASTRUCTURE AND PRIORITIES.

- 22 "(a) Designating National Prevention Prior-
- 23 ITIES.—The Trustees shall issue and annually update a
- 24 ranked list of designated 'prevention priorities'. The inclu-
- 25 sion of an activity on such list shall be based on the poten-

1	tial of such activity to improve health and the cost effec-
2	tiveness of such activity. Such list shall—
3	"(1) include clinical preventive services and
4	community-based interventions; and
5	"(2) be used by the Trustees to—
6	"(A) determine what prevention services
7	and community-based interventions shall be
8	paid for through the Trust Fund under section
9	39900;
10	"(B) allocate resources within the Trust;
11	"(C) educate the public on critical preven-
12	tion priorities; and
13	"(D) emphasize coverage and use within
14	existing authorities.
15	"(b) Creation and Support of Infrastruc-
16	TURE.—The Trustees shall establish and otherwise sup-
17	port and sustain the infrastructure for an effective
18	wellness system, including the following components:
19	"(1) Central source of prevention infor-
20	MATION.—A centralized, national, easily accessible
21	information clearinghouse on prevention priorities
22	and community-based interventions that shall—
23	"(A) be made available in multiple media;
24	"(B) be updated regularly; and

1	"(C) connect individuals, health care pro-
2	viders, State and local health departments, and
3	others to national and local resources that sup-
4	port the designated prevention priorities under
5	subsection (a).
6	"(2) Qualified electronic health
7	RECORDS.—The use and integration of qualified
8	electronic health records (as defined in section
9	3000(13))—
10	"(A) to track provision of prevention over
11	the course of individuals' lifetimes;
12	"(B) to facilitate reimbursement of cer-
13	tified prevention health workers and prevention
14	health entities; and
15	"(C) to assist in evaluations of the efficacy
16	of the policies of the Wellness Trust.
17	"(3) System for training and
18	CREDENTIALING PREVENTION HEALTH WORKERS.—
19	A system for training and credentialing prevention
20	health workers and prevention health entities
21	through agencies such as the Health Resources and
22	Services Administration and the Centers for Disease
23	Control and Prevention. In establishing and imple-
24	menting such system, the Trustees shall—

1	"(A) provide funding to such agencies
2	through the Trust Fund under section 39900;
3	"(B) establish a central registry of cer-
4	tified prevention health workers and prevention
5	health entities; and
6	"(C) encourage such workers to access ad-
7	ditional training.
8	"SEC. 39900. FUNDING FOR WELLNESS TRUST.
9	"(a) Initial Funding.—There is authorized to be
10	appropriated and there is appropriated to the Trust Fund
11	Board such sums as may be necessary to carry out sec-
12	tions 399MM and 399NN and other activities necessary
13	for the implementation of this part.
14	"(b) Establishment of Wellness Trust
15	Fund.—Not later than January 1, 2011, there shall be
16	established in the Treasury of the United States a trust
17	fund to be known as the 'Wellness Trust Fund' (referred
18	to in this section as the 'Trust Fund'), consisting of such
19	amounts as are appropriated or credited to the Fund as
20	provided under this section.
21	"(c) Appropriations to the Fund.—
22	"(1) FISCAL YEAR 2011.—There is hereby ap-
23	propriated to the Trust Fund for fiscal year 2011 an
24	amount equal to the amount spent by all Federal
25	health programs to pay for prevention services (as

- defined by the Preventive Services Task Force convened under section 915, except the definition of such services shall not be limited to those designated by the Task Force) in the most recent year for which complete data is available, as estimated by the Trustees.
 - "(2) FISCAL YEAR 2012.—There is hereby appropriated to the Trust Fund for fiscal year 2012 the amount appropriated to the Trust Fund for the previous fiscal year, increased by the annual percentage increase in the medical care component of the consumer price index (United States city average) for the 12-month period ending with April of the preceding fiscal year.
 - "(3) FISCAL YEAR 2013 AND SUBSEQUENT YEARS.—There is hereby appropriated to the Trust Fund for fiscal year 2013 and each subsequent fiscal year an amount equal to the sum of—
 - "(A) the amount appropriated to the Trust Fund for the previous fiscal year, increased by the annual percentage increase in the medical care component of the consumer price index (United States city average) for the 12-month period ending with April of the preceding fiscal year;

1 "(B) the amount collected by the Secretary
2 from health insurance issuers and applicable
3 self-insured health plans under subsection (d)
4 for the fiscal year; and

- "(C) the amount associated with prevention priorities for State and local spending, under-use, and the uninsured for the fiscal year, as estimated by the Trustees (which shall not exceed the amount equal to 10 percent of the amount otherwise appropriated to the Trust Fund for the fiscal year).
- 12 "(4) AVAILABILITY.—Amounts appropriated 13 pursuant to this subsection shall remain available 14 until expended.
- 15 "(d) Assessment of Health Insurance Issuers16 and Applicable Self-Insured Health Plans.—

17 "(1) In General.—Beginning in fiscal year 18 2013 and on an annual basis thereafter, the Sec-19 retary shall, subject to paragraph (2), assess and 20 collect a fee from each health insurance issuer and 21 each applicable self-insured health plan in an 22 amount equal to the estimated amount spent by 23 such health insurance issuer and self-insured health 24 plan, respectively, for prevention services (as defined 25 by the Trustees).

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1	"(2) Collection amount adjustment be-
2	GINNING IN FISCAL YEAR 2013.—The amount deter-
3	mined under paragraph (1) shall, on an annual
4	basis, be increased by the annual percentage in-
5	crease in the medical care component of the con-
6	sumer price index (United States city average) for
7	the 12-month period ending with April of the pre-
8	ceding fiscal year.
9	"(e) Definitions.—In this section:
10	"(1) Applicable self-insured health
11	PLAN.—The term 'applicable self-insured health
12	plan' means any plan for providing accident or
13	health coverage if—
14	"(A) any portion of such coverage is pro-
15	vided other than through an insurance policy;
16	and
17	"(B) such plan is established or main-
18	tained—
19	"(i) by 1 or more employers for the
20	benefit of their employees or former em-
21	ployees;
22	"(ii) by 1 or more employee organiza-
23	tions for the benefit of their members or
24	former members;

1	"(iii) jointly by 1 or more employers
2	and 1 or more employee organizations for
3	the benefit of employees or former employ-
4	ees;
5	"(iv) by a voluntary employees' bene-
6	ficiary association described in section
7	501(c)(9) of the Internal Revenue Code of
8	1986;
9	"(v) by any organization described in
10	section 501(c)(6) of such Code; or
11	"(vi) in the case of a plan not de-
12	scribed in the preceding clauses, by a mul-
13	tiple employer welfare arrangement (as de-
14	fined in section 3(40) of the Employee Re-
15	tirement Income Security Act of 1974), a
16	rural electric cooperative (as defined in
17	section 3(40)(B)(iv) of such Act), or a
18	rural telephone cooperative association (as
19	defined in section $3(40)(B)(v)$ of such
20	Act).
21	"(2) Health insurance issuer.—The term
22	'health insurance issuer' means an insurance com-
23	pany, insurance service, or insurance organization
24	(including a health maintenance organization, as de-
25	fined in paragraph (3)) which is licensed to engage

1 in the business of insurance in a State and which is 2 subject to State law which regulates insurance (with-3 in the meaning of section 514(b)(2) of the Employee 4 Retirement Income Security Act of 1974). "(3) HEALTH MAINTENANCE ORGANIZATION.— 6 The term 'health maintenance organization' 7 means— "(A) a Federally qualified health mainte-8 9 nance organization (as defined in section 10 1301(a); 11 "(B) an organization recognized under 12 State law as a health maintenance organization; 13 or 14 "(C) a similar organization regulated 15 under State law for solvency in the same man-16 ner and to the same extent as such a health 17 maintenance organization. "SEC. 399PP. INSURING PREVENTION PRIORITIES. 18 19 "(a) Wellness Trust as Primary Payer for Prevention Services.—The Trust shall enter into con-20 21 tracts with certified prevention health workers and prevention health entities to reimburse such workers and entities for the prevention services and community-based interventions designated by the Trustees under section 399NN as

prevention priorities.

- 1 "(b) Priorities.—The Trustees shall develop annual
- 2 and 5-year budget targets for the designated prevention
- 3 priorities under section 399NN, including clinical preven-
- 4 tive services and community-based interventions. The
- 5 Trustees shall publish annually a list indicating which of
- 6 these prevention priorities are eligible for funding through
- 7 the Fund.
- 8 "(c) Eligible Individuals and Entities.—Pursu-
- 9 ant to the contracts described under subsection (a), the
- 10 Trust shall reimburse certified prevention health workers
- 11 and prevention health entities for the prevention services
- 12 and community-based interventions described under such
- 13 subsection provided to all individuals who are United
- 14 States citizens or legal immigrants, without regard to the
- 15 insurance status of such individuals.
- 16 "(d) Development, Refinement, and Change of
- 17 Payment Systems.—The Trustees shall determine pay-
- 18 ment methodologies for prevention priorities. Such pay-
- 19 ment methodologies shall correspond to the following tiers
- 20 of activity:
- 21 "(1) Competitive contracting author-
- 22 ITY.—The Trustees shall have a competitive con-
- tracting authority for the national delivery system
- 24 activities.

- "(2) DIRECT PAYMENT SYSTEMS.—The Trustees shall develop different payment methodologies
 for the various designated prevention services and
 community-based interventions. These payment systems shall take into account existing rates, rates for
 similar services, and whether geographic adjustment
 is needed. Such systems shall link the priority of the
 service with payments.
 - "(3) USE OF STATE AND LOCAL GRANT SYSTEMS.—The Trustees shall utilize existing grant programs where feasible to distribute funds from the Trust Fund for prevention priorities.
- 13 "(4) REPORTS FROM FEDERAL PROGRAMS.—
 14 Programs that receive funding for prevention prior15 ities through the Trust Fund shall report annually
 16 to Congress on the extent to which this funding dis17 places existing spending on prevention priorities.
- 18 "(e) Partnership With Medicare and Other In-
- 19 SURERS.—The Trustees shall determine the most efficient
- 20 way to transfer funds from the Trust Fund to certified
- 21 prevention health workers and prevention health entities.
- 22 In making such determination, the Trustees shall carry
- 23 out the following:

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- 24 "(1) COORDINATION WITH MEDICARE.—The
- Trustees shall examine the use of Medicare systems

1	for direct payments to certified prevention health
2	workers and prevention health entities. Any addi-
3	tional administrative cost associated with the use of
4	the payment systems, including those of a broader
5	set of providers, shall come from the Trust Fund.
6	"(2) Contract with other insurers.—To
7	the extent that the Medicare program, private insur-
8	ers, or States prove that such program, insurer, or
9	State has the capacity to deliver prevention priorities
10	in a cost effective manner, the Trustees may con-
11	tract with such entity for delivery of prevention serv-
12	ices covered under this Trust Fund.".
13	SEC. 4. INTEGRATION OF PREVENTION HEALTH RECORD.
13 14	SEC. 4. INTEGRATION OF PREVENTION HEALTH RECORD. Title XXX of the Public Health Service Act (42)
14	Title XXX of the Public Health Service Act (42
14 15	Title XXX of the Public Health Service Act (42 U.S.C. 300jj et seq.) is amended—
14 15 16	Title XXX of the Public Health Service Act (42 U.S.C. 300jj et seq.) is amended— (1) in section 3000(13)(B)—
14 15 16 17	Title XXX of the Public Health Service Act (42 U.S.C. 300jj et seq.) is amended— (1) in section 3000(13)(B)— (A) in clause (iii), by striking "and" at the
14 15 16 17 18	Title XXX of the Public Health Service Act (42 U.S.C. 300jj et seq.) is amended— (1) in section 3000(13)(B)— (A) in clause (iii), by striking "and" at the end;
14 15 16 17 18	Title XXX of the Public Health Service Act (42 U.S.C. 300jj et seq.) is amended— (1) in section 3000(13)(B)— (A) in clause (iii), by striking "and" at the end; (B) in clause (iv), by striking the period at
14 15 16 17 18 19 20	Title XXX of the Public Health Service Act (42 U.S.C. 300jj et seq.) is amended— (1) in section 3000(13)(B)— (A) in clause (iii), by striking "and" at the end; (B) in clause (iv), by striking the period at the end and inserting "; and"; and
14 15 16 17 18 19 20 21	Title XXX of the Public Health Service Act (42 U.S.C. 300jj et seq.) is amended— (1) in section 3000(13)(B)— (A) in clause (iii), by striking "and" at the end; (B) in clause (iv), by striking the period at the end and inserting "; and"; and (C) by adding at the end the following:

1	of the efficacy of prevention priorities des-
2	ignated under section 399NN.";
3	(2) in section $3002(b)(2)(B)$, add at the end
4	the following:
5	"(ix) The integration and inclusion of
6	preventive and community-based health
7	care services in any qualified electronic
8	health record, in order to allow individuals
9	and caregivers to track the provision of
10	preventive health care services."; and
11	(3) in section 3011(a), add at the end the fol-
12	lowing:
13	"(8) Integration of prevention health priorities,
14	prevention data, and tracking of the provision of
15	preventive care by means of qualified electronic
16	health records ''

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