

111TH CONGRESS
1ST SESSION

H. R. 3430

To establish a Medicare DSH pilot program under which participants shall establish collaborative care networks to reduce the use of emergency departments, inpatient and other expensive resources of hospitals and other providers and provide more comprehensive and coordinated care to low-income individuals, including those without health insurance coverage, and to establish a Collaborative Care Network Center.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2009

Ms. LINDA T. SÁNCHEZ of California (for herself, Mr. LEWIS of Georgia, and Mr. RUSH) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a Medicare DSH pilot program under which participants shall establish collaborative care networks to reduce the use of emergency departments, inpatient and other expensive resources of hospitals and other providers and provide more comprehensive and coordinated care to low-income individuals, including those without health insurance coverage, and to establish a Collaborative Care Network Center.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “DSH Collaborative
3 Care Network Pilot Program Act of 2009”.

4 **SEC. 2. MEDICARE DSH PILOT PROGRAM.**

5 (a) ESTABLISHMENT.—

6 (1) IN GENERAL.—The Secretary of Health and
7 Human Services (in this Act referred to as the “Sec-
8 retary”) shall carry out a Medicare DSH pilot pro-
9 gram (in this Act referred to as the “Pilot Pro-
10 gram”) under which, for purposes of establishing
11 model projects described in paragraph (2), eligible
12 DSH Program participants shall, for discharges oc-
13 ccurring during a cost reporting period for which the
14 participant is participating in the Pilot Program, re-
15 ceive an amount in accordance with paragraph (3)
16 in addition to the amount the participant would oth-
17 erwise receive under section 1886(d)(5)(F) of the
18 Social Security Act (42 U.S.C. 1395ww(d)(5)(F)).

19 (2) MODEL PROJECTS.—Model projects de-
20 scribed in this paragraph are projects to accomplish
21 the following goals:

22 (A) To reduce unnecessary use of items
23 and services furnished in emergency depart-
24 ments of hospitals (especially to ensure that in-
25 dividuals without health insurance coverage or
26 with inadequate health insurance coverage do

1 not use the services of such department instead
2 of the services of a primary care physician)
3 through methods such as—

4 (i) screening individuals who seek
5 emergency department services for possible
6 eligibility under relevant governmental
7 health programs or for subsidies under
8 such programs; and

9 (ii) providing such individuals refer-
10 rals for follow-up care and chronic condi-
11 tion care.

12 (B) To manage chronic conditions to re-
13 duce their severity, negative health outcomes,
14 and expense.

15 (C) To encourage health care providers to
16 coordinate their efforts so that the most vulner-
17 able patient populations seek and obtain pri-
18 mary care.

19 (D) To provide more comprehensive and
20 coordinated care to low-income vulnerable indi-
21 viduals and individuals without health insurance
22 coverage or with inadequate coverage.

23 (E) To provide mechanisms for improving
24 both quality and efficiency of care for low-in-
25 come individuals and families, with an emphasis

1 on those most likely to remain uninsured de-
2 spite the existence of government programs to
3 make health insurance more affordable.

4 (F) To increase preventive services, includ-
5 ing screening and counseling, to those who
6 would otherwise not receive such screening, in
7 order to improve health status and reduce long
8 term complications and costs.

9 (G) To ensure the availability of commu-
10 nity-wide safety net services, including emer-
11 gency and trauma care.

12 (3) ADDITIONAL AMOUNT.—

13 (A) IN GENERAL.—The Secretary shall
14 specify the additional amount each eligible
15 DSH Program participant shall receive for a
16 cost reporting period from the pool established
17 under subparagraph (B) for the period involved.
18 Such amount shall be established, to the max-
19 imum extent practicable, to retain or increase
20 the level of funding for such a participant from
21 year to year. The total of such payments for a
22 period shall not exceed the total amount of
23 funds available under subparagraph (B) for
24 such period.

25 (B) SPENDING POOL.—

1 (i) IN GENERAL.—Subject to clause
2 (ii), the amount described in this subpara-
3 graph for a fiscal year is equal to 2 per-
4 cent of the total of all Medicare DSH pay-
5 ments for the fiscal year 2008 cost report-
6 ing period, the rate of increase (if any), for
7 each succeeding fiscal year through the fis-
8 cal year involved, in Medicare DSH pay-
9 ments for the fiscal year, as estimated by
10 the Secretary.

11 (ii) TREATMENT OF DECREASES.—If
12 because of a change in law or regulation
13 there is a decrease total Medicare DSH
14 payments for a fiscal year, 5 percent of the
15 amount of such decreased payments shall
16 be added to the amount otherwise com-
17 puted under clause (i).

18 (b) ELIGIBILITY AND PARTICIPANT SELECTION.—

19 (1) ELIGIBLE DSH PROGRAM PARTICIPANT.—
20 For purposes of this section, the term “eligible DSH
21 Program participant” means a hospital described in
22 section 1886(d)(5)(F)(i) of the Social Security Act
23 that is to be a member of a collaborative care net-
24 work described in subsection (d) and selected by the
25 Secretary under paragraph (3).

1 (2) APPLICATION.—An applicant representing a
2 collaborative care network described in subsection
3 (d) shall submit to the Secretary an application in
4 such form and manner and containing such informa-
5 tion as specified by the Secretary. Such information
6 shall at least—

7 (A) identify the health care providers par-
8 ticipating in the collaborative care network pro-
9 posed by the applicant and in the case a Feder-
10 ally-qualified health center is not included as
11 such a participant, the reason such a center is
12 not so included;

13 (B) include a description of how the pro-
14 viders plan to collaborate to provide comprehen-
15 sive and integrated care for low-income individ-
16 uals, including uninsured and underinsured in-
17 dividuals;

18 (C) include a description of the organiza-
19 tional and joint governance structure of the col-
20 laborative care network in a manner so that it
21 is clear how decisions will be made;

22 (D) define the geographic areas and popu-
23 lations that the network intends to serve;

24 (E) define the scope of services that the
25 network intends to provide and identify any

1 reasons why such services would not include a
2 suggested core service identified by the Sec-
3 retary under paragraph (4);

4 (F) demonstrate the network's ability to
5 meet the requirements of this section; and

6 (G) provide assurances that (and include a
7 plan demonstrating how) funds received by an
8 eligible DSH Program participant under section
9 1886(d)(5)(F) of the Social Security Act pursu-
10 ant to the Pilot Program shall be appropriately
11 distributed among all health care providers par-
12 ticipating in the collaborative care network.

13 (3) SELECTION OF PARTICIPANTS.—The Sec-
14 retary shall select eligible DSH Program partici-
15 pants from applications submitted under paragraph
16 (2) on the basis of quality of the proposal involved,
17 geographic diversity (including different States and
18 regions served and urban and rural diversity), and
19 the number of low-income and uninsured individuals
20 that the proposal intends to serve. The Secretary
21 shall give priority to proposals from eligible DSH
22 Program participants that serve a high volume a
23 low-income individuals, and in applying this criteria,
24 may consider whether the eligible DSH Program
25 participant meets the criteria set out under section

1 1923(b)(1)(B) of the Social Security Act. Subject to
2 receiving enough high quality applications under
3 paragraph (2), the Secretary shall select at least 5
4 such participants initially.

5 (4) SUGGESTED CORE SERVICES.—For pur-
6 poses of paragraph (2)(E), the Secretary shall de-
7 velop a list of suggested core services to be provided
8 by a collaborative care network. The Secretary may
9 select an eligible DSH Program participant under
10 paragraph (3), the application of which does not in-
11 clude all such services, if such application provides
12 a reasonable explanation why such services are not
13 proposed to be included, and the Secretary deter-
14 mines that the application is otherwise high quality.
15 Unless the Secretary determines otherwise, such list
16 of suggested core services should include primary
17 care, maternity care, and well-baby care.

18 (5) TERMINATION AUTHORITY.—The Secretary
19 may terminate selection of a collaborative care net-
20 work under this section for good cause. Such good
21 cause shall include a determination that the net-
22 work—

23 (A) has failed to provide a comprehensive
24 range of coordinated and integrated health care
25 services as required under subsection (d)(3);

1 (B) had failed to meet reasonable quality
2 standards;

3 (C) has misappropriated funds provided
4 under this section; or

5 (D) has failed to make progress toward ac-
6 complishing goals set out in subsection (a)(2).

7 (c) USE OF FUNDS.—Funds provided under the Pilot
8 Program shall be available to an eligible DSH Program
9 participant (or consortium of participants) to create and
10 support collaborative care networks (described in sub-
11 section (d)) that would carry out the following activities:

12 (1) Assist low-income individuals without ade-
13 quate health care coverage to—

14 (A) access and appropriately use health
15 services;

16 (B) enroll in applicable public or private
17 health insurance programs;

18 (C) obtain referrals to and see a primary
19 care provider in the case such an individual
20 does not have a primary care provider; and

21 (D) obtain appropriate care for chronic
22 conditions.

23 (2) Improve health care by providing case man-
24 agement, application assistance, and appropriate re-
25 ferrals such as through methods to—

1 (A) create and meaningfully use a health
2 information network to track patients across
3 collaborative providers;

4 (B) perform health outreach, such as by
5 using “promotoras”—neighborhood health
6 workers who may inform individuals about the
7 availability of safety net and primary care avail-
8 able through the collaborative care network;

9 (C) provide for follow-up outreach to re-
10 mind patients of appointments or follow-up care
11 instructions;

12 (D) provide transportation to individuals
13 to and from the site of care;

14 (E) expand the capacity to provide care at
15 any provider participating in the collaborative
16 care network, including through hiring new
17 staff, opening new clinics or other provider sites
18 after-hours, on weekends, or otherwise pro-
19 viding an urgent care alternative to an emer-
20 gency department; and

21 (F) provide a primary care provider or
22 medical home for each network patient.

23 Nothing in this section shall be construed as requiring a
24 collaborative care network to carry out all such activities.

25 (d) COLLABORATIVE CARE NETWORKS.—

1 (1) IN GENERAL.—

2 (A) DESCRIPTION.—A collaborative care
3 network described in this subsection is a con-
4 sortium of health care providers with a joint
5 governance structure that provides a com-
6 prehensive range of coordinated and integrated
7 health care services for low-income patient pop-
8 ulations or medically underserved communities
9 (whether or not such individuals receive benefits
10 under title XVIII, XIX, or XXI of the Social
11 Security Act, private or other health insurance
12 or are uninsured or underinsured) that complies
13 with any applicable minimum eligibility require-
14 ments that the Secretary may determine appro-
15 priate.

16 (B) REQUIRED INCLUSION.—Each such
17 network shall include—

18 (i) at least one eligible DSH program
19 participant; and

20 (ii) at least one Federally-qualified
21 health center (as defined in section
22 1905(l)(2)(B) of such Act) unless no such
23 a center serves the geographic area pro-
24 posed to be served by the network; a center
25 exists but refuses to participate; or a cen-

1 ter places unreasonable conditions on such
2 participation.

3 (C) ADDITIONAL INCLUSIONS.—Each such
4 network may include any of the following addi-
5 tional providers:

6 (i) Another hospital.

7 (ii) A county or municipal department
8 of health.

9 (iii) A rural health clinic.

10 (iv) A community clinic, including a
11 mental health clinic, substance abuse clin-
12 ic, or a reproductive health clinic.

13 (v) A private practice physician or
14 group practice.

15 (vi) A nurse or physician assistant or
16 group practice.

17 (vii) An adult day care center.

18 (viii) A home health provider.

19 (ix) Any other type of provider speci-
20 fied by the Secretary, which has a desire to
21 serve low-income and uninsured patients.

22 (D) CONSTRUCTION.—Nothing in this sec-
23 tion shall prohibit a single entity from quali-
24 fying as collaborative care network so long as
25 such single entity meets the criteria of a col-

1 laborative care network. If the network does not
2 include at least one Federally-qualified health
3 center (as defined in section 1905(l)(2)(B) of
4 the Social Security Act), the application must
5 explain the reason pursuant to subparagraph
6 (A)(ii).

7 (2) COLLABORATIVE CARE NETWORK PAYMENT
8 METHODOLOGIES.—The Secretary shall test alter-
9 native payment methodologies (which the Secretary
10 may apply under the Pilot Program in lieu of or in
11 addition to the increased payments under subsection
12 (a)) to provide reimbursements to members of col-
13 laborative care networks for services that are pro-
14 vided by such members under the Pilot Program and
15 may adopt alternative payment methodologies pro-
16 posed by the members of the collaborative care net-
17 work in the Application submitted under Section
18 (b)(2). Such alternative methodologies may be paid
19 to the eligible DSH Program participant, to another
20 member of the network, or to the network itself, pro-
21 vided that the initial recipient is able to adequately
22 distribute the funds pursuant to assurances in sub-
23 section (b)(2)(G). Such alternative payment meth-
24 odologies may include—

1 (A) bundled, capitated, or flat rate pay-
2 ments to the collaborative care network or a
3 member of the network;

4 (B) shared savings programs;

5 (C) a transition from traditional cost-based
6 payments to alternative payment methodologies
7 described in this section after an initial period;
8 and

9 (D) other payment methodologies designed
10 to create incentives for the collaborative care
11 networks to provide integrated and collaborative
12 care and to reward high quality, cost-efficient
13 care.

14 (3) COMPREHENSIVE RANGE OF COORDINATED
15 AND INTEGRATED HEALTH CARE SERVICES.—The
16 Secretary may define criteria for evaluating the serv-
17 ices offered by a collaborative care network. Such
18 criteria may include the following:

19 (A) Requiring collaborative care networks
20 to include at least the suggested core services
21 identified under subsection (b)(4), or whichever
22 subset of the suggested core services is applica-
23 ble to a particular network.

24 (B) Requiring such networks to assign
25 each patient of the network to a primary care

1 provider responsible for managing that patient's
2 care.

3 (C) Requiring the services provided by a
4 collaborative care network to include support
5 services appropriate to meet the health needs of
6 low-income populations in the network's com-
7 munity, which may include chronic care man-
8 agement, nutritional counseling, transportation,
9 language services, enrollment counselors, social
10 services and other services as proposed by the
11 network.

12 (D) Providing that the services provided by
13 a collaborative care network may also include
14 long term care services and other services not
15 specified in this subsection.

16 (E) Providing for the approval by the Sec-
17 retary of a scope of collaborative care network
18 services for each network that addresses an ap-
19 propriate minimum scope of work consistent
20 with the setting of the network and the health
21 professionals available in the community the
22 network serves.

23 (4) CLARIFICATION.—Participation in a collabo-
24 rative care network under the Pilot Program shall
25 not disqualify a health care provider from reimburse-

1 ment under title XVIII, XIX, or XXI of the Social
2 Security Act with respect to services otherwise reim-
3 bursable under such title. Nothing in this section
4 shall prevent a collaborative care network that is
5 otherwise eligible to contract with Medicare, a pri-
6 vate health insurer, or any other appropriate entity
7 to provide care under Medicare, under health insur-
8 ance coverage offered by the insurer, or otherwise.

9 (e) EVALUATIONS.—

10 (1) PARTICIPANT REPORTS.—Each eligible
11 DSH Program participant shall submit to the Sec-
12 retary, for each year of the participant’s participa-
13 tion in the Pilot Program beginning in the third
14 year following the date of implementation of the
15 Pilot Program, an evaluation on the activities car-
16 ried out by the collaborative care network of such
17 participant under the Pilot Program and shall in-
18 clude—

19 (A) the number of people served;

20 (B) the most common health problems
21 treated;

22 (C) any reductions in emergency depart-
23 ment use;

1 (D) an accounting of how amounts re-
2 ceived pursuant to the Pilot Program were
3 used; and

4 (E) to the extent requested by the Sec-
5 retary, any quality measures or any other meas-
6 ures specified by the Secretary.

7 (2) PROGRAM REPORTS.—The Secretary shall
8 submit to Congress an annual evaluation (beginning
9 not later than 6 months after the first reports under
10 paragraph (1) are submitted) on the extent to which
11 emergency department use was reduced as a result
12 of the activities carried out by the participant under
13 the Pilot Program. Each such evaluation shall also
14 include information on—

15 (A) the prevalence of certain chronic condi-
16 tions in various populations, including a com-
17 parison of such prevalence in the general popu-
18 lation versus in the population of individuals
19 with inadequate health insurance coverage;

20 (B) demographic characteristics of the
21 population of uninsured and underinsured indi-
22 viduals served by the collaborative care network
23 involved; and

1 (C) the conditions of such individuals for
 2 whom services were requested at such emer-
 3 gency departments of participating hospitals.

4 (3) AUDIT AUTHORITY.—The Secretary may
 5 conduct periodic audits and request periodic spend-
 6 ing reports of participants under the Pilot Program.

7 (4) MEDPAC EVALUATION.—In its annual re-
 8 ports to Congress, the Medicare Payment Advisory
 9 Commission shall include its evaluation of the Pilot
 10 Program.

11 (f) CLARIFICATION.—Nothing in this section or sec-
 12 tion 3 requires a provider to report individually identifi-
 13 able information of an individual to government agencies,
 14 unless the individual consents, consistent with HIPAA pri-
 15 vacy and security law, as defined in section 3009(a)(2)
 16 of the Public Health Service Act.

17 **SEC. 3. CREATION OF A COLLABORATIVE CARE NETWORK**
 18 **CENTER WITHIN HHS.**

19 (a) IN GENERAL.—The Secretary shall create within
 20 the Department of Health and Human Services a Collabo-
 21 rative Care Network Center (in this section referred to
 22 as the “Center”).

23 (b) DUTIES.—The Center shall carry out the fol-
 24 lowing duties:

1 (1) Provide technical assistance and other im-
2 plementation support to collaborative care networks.

3 (2) Develop and disseminate collaborative care
4 network best practice models and facilitate net-
5 working and information sharing among collabo-
6 rative care networks.

7 (3) Develop and assist in the development of
8 pilot programs under title XVIII, XIX, or XXI of
9 the Social Security Act to test new payment models
10 and delivery system innovations, such as bundling,
11 shared savings models, capitated payments, and in-
12 centive payment structures.

13 (4) Evaluate the effectiveness of such pilots
14 programs.

15 (5) Evaluate the performance of collaborative
16 care networks based on an aggregation of the quality
17 measures the network's providers are to report
18 under section 2(e)(1)(E).

19 (6) Advise Congress, the Secretary, and other
20 relevant agencies regarding proposed changes to
21 statutory or regulatory barriers to collaborative care
22 network success.

23 (7) Carry out other activities as determined by
24 the Secretary to be necessary for the development or
25 improvement of collaborative care networks.

1 (c) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated such sums as are nec-
3 essary to carry out this section.

○