[DISCUSSION DRAFT]

113TH CONGRESS
2D SESSION

H. R./S. _____

To amend title XVIII of the Social Security Act to provide for standardized post-acute care assessment data for quality, payment, and discharge planning, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

A BILL

To amend title XVIII of the Social Security Act to provide for standardized post-acute care assessment data for quality, payment, and discharge planning, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Improving Medicare Post-Acute Care Transformation Act of 2014'' or the ''IMPACT Act of 2014''.

SEC. 2. STANDARDIZATION OF POST-ACUTE CARE DATA.

(a) IN GENERAL.—Title XVIII of the Social Security Act is amended by adding at the end the following new section:

"SEC. 1899B. STANDARDIZED POST-ACUTE CARE (PAC) ASSESSMENT DATA FOR QUALITY, PAYMENT, AND DISCHARGE PLANNING.

"(a) REQUIREMENT FOR STANDARDIZED ASSESSMENT DATA.—

"(1) IN GENERAL.—The Secretary shall—

"(A) require under the applicable reporting provisions post-acute care providers (as defined in paragraph (2)(A)) and other providers described in subsection (b)(4) to report standardized patient assessment data in accordance with subsection (b) and to require under the applicable reporting provisions such post-acute care providers to report data on quality measures under subsection (c)(1) and data on resource use and other measures under subsection (d)(1); and

"(B) in accordance with subsection (c)(2), modify PAC assessment instruments (as defined in paragraph (2)(B)) applicable to post-acute care providers to—

''(i) provide for the submission of standardized patient assessment data under this title with respect to such providers; and

''(ii) enable comparison of such assessment data across all such providers to whom such data are applicable.

''(2) DEFINITIONS.—For purposes of this section:

''(A) POST-ACUTE CARE (PAC) PROVIDER.—The terms 'post-acute care provider' and 'PAC provider' mean—

''(i) a home health agency;

''(ii) a skilled nursing facility;

''(iii) an inpatient rehabilitation facility; and

''(iv) a long-term care hospital (other than a hospital classified under section 1886(d)(1)(B)(iv)(II)).

''(B) PAC ASSESSMENT INSTRUMENT.—The term 'PAC assessment instrument' means—

''(i) in the case of home health agencies, the instrument used for purposes of reporting and assessment with respect to

the Outcome and Assessment Information Set (OASIS), as described in sections 484.55 and 484.250 of title 42, the Code of Federal Regulations, or any successor regulation, or any other instrument used with respect to home health agencies for such purposes;

''(ii) in the case of skilled nursing facilities, a standard instrument designated by a State under section 1819(b)(3);

''(iii) in the case of inpatient rehabilitation facilities, any patient assessment instrument established by the Secretary for purposes of section 1886(j); and

''(iv) in the case of long-term care hospitals, the patient assessment instrument used with respect to such hospitals for the collection of data elements necessary to calculate the pressure ulcer measure described in the August 18, 2011, Federal Register (76 Fed. Reg. 51754-51755), including for purposes of section 1886(m)(5)(C), or any other instrument used with respect to such hospitals for such purposes.

"(C) APPLICABLE REPORTING PROVISION.—The term 'applicable reporting provision' means—

"(i) for home health agencies, section 1895(b)(3)(B)(v);

"(ii) for skilled nursing facilities, section 1888(e)(6);

"(iii) for inpatient rehabilitation facilities, section 1886(j)(7);

"(iv) for long-term care hospitals, section 1886(m)(5);

"(v) for subsection (d) hospitals (as defined in section 1886(d)(1)(B)), section 1886(b)(3)(B)(viii);

"(vi) for critical access hospitals, section 1814(l)(5); and

"(vii) for a hospital described in section 1886(d)(1)(B)(v), section 1866(k).

"(D) PAC PAYMENT SYSTEM.—The term 'PAC payment system' means—

"(i) with respect to a home health agency, the prospective payment system under section 1895;

"(ii) with respect to a skilled nursing facility, the prospective payment system under section 1888(e);

"(iii) with respect to an inpatient rehabilitation facility, the prospective payment system under section 1886(j); and

"(iv) with respect to a long-term care hospital, the prospective payment system under section 1886(m).

"(b) STANDARDIZED PATIENT ASSESSMENT DATA.—

"(1) REQUIREMENT FOR REPORTING ASSESSMENT DATA.—

"(A) IN GENERAL.—Beginning not later than October 1, 2018, for PAC providers described in clauses (ii), (iii), and (iv) of subsection (a)(2)(A) and not later than January 1, 2019, for PAC providers described in clause (i) of such subsection, the Secretary shall require PAC providers to submit to the Secretary, under the applicable reporting provisions and through the use of PAC assessment instruments, the standardized patient assessment data described in subparagraph (B). The Secretary shall require such data be submitted with respect to admission and discharge of an indi-

vidual (and may be submitted more frequently as the Secretary deems appropriate).

''(B) STANDARDIZED PATIENT ASSESSMENT DATA DESCRIBED.—For purposes of subparagraph (A), the standardized patient assessment data described in this subparagraph is data that is on at least the quality measures described in subsection (c)(1) and that is with respect to the following categories:

''(i) Functional status, such as mobility and self care.

''(ii) Cognitive function and mental status, such as depression, ability to understand, ability to express ideas, and comatose.

''(iii) Special services, treatments, and interventions, such as need for ventilator use, dialysis, chemotherapy, central line placement, and total parenteral nutrition.

''(iv) Medical condition, such as diabetes, congestive heart failure, or comorbidities, such as severe pressure ulcers.

''(v) Impairments, such as incontinence and an impaired ability to hear, see, or swallow.

"(vi) Functioning in the period immediately prior to the use of post-acute care services, such as mobility, self care, and history of falls.

"(vii) Other categories deemed necessary and appropriate by the Secretary.

"(2) ALIGNMENT OF CLAIMS DATA WITH STANDARDIZED PATIENT ASSESSMENT DATA.—To the extent practicable, the Secretary shall match claims data with assessment data pursuant to this section for purposes of assessing prior service use and concurrent service use, such as antecedent hospital or PAC provider use, and may use such matched data for such other uses as the Secretary determines appropriate.

"(3) REPLACEMENT OF CERTAIN EXISTING DATA ELEMENTS.—In the case of patient assessment data being used with respect to a PAC assessment instrument that duplicates or overlaps with standardized patient assessment data within a category described in paragraph (1), the Secretary shall, as soon as practicable, revise or replace such existing data with the standardized data.

"(4) ASSESSMENT DATA REQUIREMENTS FOR INPATIENT HOSPITALS AND CRITICAL ACCESS HOSPITALS.—

"(A) IN GENERAL.—Not later than October 1, 2018, the Secretary shall require subsection (d) hospitals (as defined in section 1886(d)(1)(B)), hospitals described in section 1886(d)(1)(B)(v), and critical access hospitals, under the applicable reporting provisions, to report to the Secretary standardized patient assessment data with respect to inpatient hospital services furnished by such a hospital or critical access hospital to individuals who are entitled to benefits under part A or, as appropriate, enrolled for benefits under part B. Under the applicable reporting provisions, each such hospital and critical access hospital shall collect such data, with respect to items and services furnished to such an individual admitted to such hospital or critical access hospital, at such times as the Secretary determines necessary, but no less than one time per admission. Such standardized patient assessment data shall be with respect to the following domains:

''(i) Medical condition, such as diabetes, congestive heart failure, or comorbidities, such as severe pressure ulcers.

''(ii) Functional status, such as mobility and self care.

''(iii) Cognitive function and mental status, such as depression, ability to understand, ability to express ideas, and comatose.

''(iv) Living situation and access to caregivers at home.

''(v) Other domains so long as they are necessary for assessing patient need for post-acute care services, the resulting quality of care, or developing post-acute care payment models.

''(B) ANALYSIS AND REPORT ON ASSESSMENT DATA REQUIREMENTS.—

''(i) ANALYSIS.—The Secretary shall conduct an analysis to determine the most appropriate application of the requirement under subparagraph (A) for purposes of post-acute care assessments.

''(ii) REPORT.—Not later than 15 months after the date by which the Sec-

retary has collected two years of assessment data under subparagraph (A), the Secretary shall submit to Congress a report on the analysis conducted under clause (i). Such report shall, taking into account provider burden, patient acuity, and appropriateness of assessments for individuals not discharged from a hospital or critical access hospital described in subparagraph (A) to a PAC provider, include recommendations on—

"(I) the extent to which, under such subparagraph, domains or standardized patient assessment data required to be submitted with respect to such domains should be added, modified, narrowed, or removed regardless of type of patient;

"(II) the extent to which, under such subparagraph, domains or standardized patient assessment data required to be submitted with respect to such domains should be reduced or eliminated for certain types of individuals, such as lower acuity individuals

or individuals not needing services from a PAC provider; and

''(III) the extent to which, under such subparagraph, domains or standardized patient assessment data required to be submitted with respect to such domains should be expanded for certain types of individuals, such as higher acuity individuals or individuals needing services from a PAC provider.

''(5) ALIGNMENT WITH PART B THERAPY DATA ELEMENTS.—To the extent practicable, the Secretary shall align the standardized patient assessment data under this section and the patient assessment data collected for outpatient therapy services under part B.

''(c) QUALITY MEASURES.—

''(1) REQUIREMENT FOR REPORTING QUALITY MEASURES.—Not later than October 1, 2016, for PAC providers described in clauses (ii), (iii), and (iv) of subsection (a)(2)(A) and not later than January 1, 2017, for PAC providers described in clause (i) of such subsection, the Secretary shall specify quality measures on which PAC providers are required

under the applicable reporting provisions to submit standardized patient assessment data described in subsection (b)(1) and other necessary data specified by the Secretary. Such measures shall be with respect to at least the following domains:

"(A) Functional status and changes in function.

"(B) Skin integrity and changes in skin integrity.

"(C) Medication reconciliation.

"(D) Incidence of major falls.

"(E) Accurately communicating the existence of and providing for the transfer of health information and care preferences when an individual transitions—

"(i) from a hospital or critical access hospital to another applicable setting, including a PAC provider or the home of the individual; or

"(ii) from a PAC provider to another applicable setting, including a different PAC provider, a hospital, a critical access hospital, or the home of the individual.

"(2) REPORTING THROUGH PAC INSTRUMENTS.—To the extent possible, the Secretary shall

require such reporting by a PAC provider of quality measures under paragraph (1) through the use of a PAC assessment instrument and shall modify such PAC assessment instrument as necessary to enable the use of such instrument with respect to such quality measures. If the Secretary is not able to modify such PAC assessment instrument to enable the use, beginning October 1, 2016, for PAC providers described in clauses (ii), (iii), and (iv) of subsection (a)(2)(A) and not later than January 1, 2017, for PAC providers described in clause (i) of such subsection, of such instrument with respect to such quality measures, then the Secretary shall require the use of an alternative data submission mechanism with respect to such quality measures.

''(3) ADJUSTMENTS.—The Secretary shall consider applying adjustments to the quality measures taking into consideration the studies under section 2(d) of the IMPACT Act of 2014.

''(d) RESOURCE USE AND OTHER MEASURES.—

''(1) REQUIREMENT FOR RESOURCE USE AND OTHER MEASURES.—Not later than October 1, 2016, for PAC providers described in clauses (ii), (iii), and (iv) of subsection (a)(2)(A) and not later than January 1, 2017, for PAC providers described

in clause (i) of such subsection, the Secretary shall specify resource use and other measures on which PAC providers are required under the applicable reporting provisions to submit any necessary data specified by the Secretary, which may include standardized assessment data in addition to claims data. Such measures shall be with respect to at least the following domains:

''(A) Efficiency measures, including total estimated Medicare spending per beneficiary.

''(B) Discharge to community.

''(C) Risk adjusted hospitalization rates of potentially preventable admissions and readmissions, which may include predictive models.

''(2) ALIGNING METHODOLOGY ADJUSTMENTS.—

''(A) LENGTH OF EPISODE.—With respect to the length of an episode, the Secretary shall, to the extent the Secretary determines appropriate, align resource use and other measures specified under this subsection with respect to the domain described in paragraph (1)(A) with the methodology used for purposes of section 1886(o)(2)(B)(ii).

''(B) GEOGRAPHIC AND OTHER ADJUSTMENTS.—The Secretary shall standardize measures with respect to the domain described in paragraph (1)(A) for geographic payment rate differences and payment differentials (and other adjustments, as applicable) consistent with the methodology published in the Federal Register on August 18, 2011 (76 Fed. Reg. 51624 through 51626).

''(C) MEDICARE SPENDING PER BENEFICIARY.—The Secretary shall adjust measures with respect to the domain described in paragraph (1)(A) for the factors applied under section 1886(o)(2)(B)(ii).

''(3) ADJUSTMENTS.—The Secretary shall consider applying adjustments to the resource use and other measures specified under this subsection with respect to the domain described in paragraph (1)(A), taking into consideration the studies under section 2(d) of the IMPACT Act of 2014.

''(e) WAIVERS FOR QUALITY MEASURES AND RESOURCE USE AND OTHER MEASURES.—

''(1) CONSENSUS-BASED ENTITY.—

''(A) IN GENERAL.—Subject to subparagraph (B), each measure specified by the Sec-

retary under this section shall be endorsed by the entity with a contract under section 1890(a).

''(B) EXCEPTION.—In the case of a specified area or medical topic determined appropriate by the Secretary for which a feasible and practical measure has not been endorsed by the entity with a contract under section 1890(a), the Secretary may specify a measure that is not so endorsed as long as due consideration is given to measures that have been endorsed or adopted by a consensus organization identified by the Secretary.

''(2) OPTIONAL APPLICATION OF PRE-RULE-MAKING PROCESS (WAIVER OF MEASURE APPLICATION PARTNERSHIP PROCESS).—The application of the provisions of section 1890A shall be optional in the case of a quality measure specified under subsection (c) or a resource use or other measure specified under subsection (d) that is—

''(A) with respect to a domain described in any of the clauses (A) through (E) of subsection (c)(1) or a domain described in any of the subparagraphs (A) through (C) of subsection (d)(1), respectively; and

"(B) required with respect to data submissions under the applicable reporting provisions by October 1, 2016, for PAC providers described in clauses (ii), (iii), and (iv) of subsection (a)(2)(A) or by January 1, 2017, for PAC providers described in clause (i) of such subsection.

"(f) FEEDBACK REPORTS TO PAC PROVIDERS.—Beginning October 1, 2017, for PAC providers described in clauses (ii), (iii), and (iv) of subsection (a)(2)(A) and January 1, 2018, for PAC providers described in clause (i) of such subsection, the Secretary, through a process consistent with the process applied under section 1886(o) for similar purposes shall provide confidential feedback reports to PAC providers on the performance of such providers with respect to measures required under the applicable provisions, including quality measures and resource use and other measures under this section.

"(g) PUBLIC REPORTING OF PAC PROVIDER PERFORMANCE.—

"(1) IN GENERAL.—Subject to the succeeding paragraphs of this subsection, the Secretary shall establish procedures for making available to the public information regarding the performance of individual PAC providers with respect to the quality measures

under subsection (c)(1) and the resource use and other measures under subsection (d)(1).

''(2) OPPORTUNITY TO REVIEW.—The procedures under paragraph (1) shall ensure that a PAC provider has the opportunity to review and submit corrections to the data and information that is to be made public with respect to the provider prior to such data being made public.

''(3) TIMING.—Such procedures shall provide that the data and information described in paragraph (1) is made publicly available beginning not later than—

''(A) October 1, 2018, in the case of PAC providers described in clauses (ii), (iii), and (iv) of subsection (a)(2)(A); and

''(B) January 1, 2019, in the case of PAC providers described in clause (i) of such subsection.

''(4) COORDINATION WITH EXISTING PROGRAMS.—Such procedures shall provide that data and information described in paragraph (1) with respect to quality measures and resource use and other measures under subsections (c)(1) and (d)(1) shall be made publicly available consistent with the following provisions:

''(A) In the case of home health agencies, section 1895(b)(3)(B)(v)(III).

''(B) In the case of skilled nursing facilities, section 1919(i).

''(C) In the case of inpatient rehabilitation facilities, section 1886(j)(7)(E).

''(D) In the case of long-term care hospitals, section 1886(m)(5)(E).

''(h) REMOVING OR ADDING MEASURES.—

''(1) IN GENERAL.—The Secretary may remove or add a quality measure or resource use or other measure described in subsection (c)(1) or (d)(1), so long as, subject to paragraph (2), the Secretary publishes in the Federal Register a justification for such removal or addition.

''(2) EXCEPTION.—In the case of such a quality measure or resource use or other measure that causes significant patient harm, the Secretary may remove such measure without publishing in the Federal Register a justification for such removal.

''(i) USE OF STANDARDIZED ASSESSMENT DATA, QUALITY MEASURES, AND RESOURCE USE AND OTHER MEASURES TO INFORM DISCHARGE PLANNING AND INCORPORATE PATIENT PREFERENCE.—Not later than January 1, 2016, and periodically thereafter (but not less fre-

quently than once every 5 years), the Secretary shall promulgate regulations to modify conditions of participation and subsequent interpretive guidance applicable to PAC providers and providers described in subsection (b)(4) in order to encourage such providers to take into account data required to be submitted on measures under the applicable reporting provisions (which, as available, shall include standardized patient assessment data under subsection (b), data on the measures specified under subsections (c) and (d), and data on other relevant measures) applicable to potential providers and settings to which a patient may be discharged to assist such PAC providers, such providers described in subsection (b)(4), individuals entitled to benefits under part A or, as appropriate, enrolled under part B, and families of such individuals with discharge planning from inpatient settings and from PAC provider settings. Such regulations shall include procedures to address patient treatment preferences and patient goals of care and may be used to help inform discharge planning.

''(j) FUNDING.—For purposes of carrying out this section, the Secretary shall provide for the transfer to the Centers for Medicare & Medicaid Services Program Management Account, from the Federal Hospital Insurance Trust Fund under section 1817 and the Federal Supple-

mentary Medical Insurance Trust Fund under section 1841, in such proportion as the Secretary determines appropriate, of $200,000,000. Fifty percent of such amount shall be available on the date of the enactment of this section and fifty percent of such amount shall be equally proportioned for each of fiscal years 2015 through 2019. Such sums shall remain available until expended.

''(k) LIMITATION.—There shall be no administrative or judicial review under section 1889B or otherwise of the specification of standardized patient assessment data required under this section or the systems to report such standardized data.

''(l) NON-APPLICATION OF PAPERWORK REDUCTION ACT.—Chapter 35 of title 44, United States Code (commonly referred to as the 'Paperwork Reduction Act of 1995') shall not apply to this section.''.

(b) STUDIES OF ALTERNATIVE PAC PAYMENT MODELS.—

(1) MEDPAC.—Using data from the Post-Acute Payment Reform Demonstration authorized under section 5008 of the Deficit Reduction Act of 2005 (Public Law 109-171), not later than June 30, 2016, the Medicare Payment Advisory Commission shall submit to Congress a report that evaluates and recommends features of PAC payment systems (as

defined in section 1899B(a)(2)(D) of the Social Security Act, as added by subsection (a)) that establish, or a unified post-acute care payment system under title XVIII of the Social Security Act that establishes, payment rates according to individual characteristics (such as cognitive ability, functional status, and impairments) instead of according to the post-acute care setting where the patient is treated.

(2) RECOMMENDATIONS FOR PAC PROSPECTIVE PAYMENT.—

(A) REPORT BY SECRETARY.—Not later than 2 years after the date by which the Secretary of Health and Human Services has collected 2 years of data on quality measures under subsection (c) of section 1899B, as added by subsection (a), the Secretary shall, in consultation with the Medicare Payment Advisory Commission and appropriate stakeholders, submit to Congress a report, including recommendations and a technical prototype, on a post-acute care prospective payment system under title XVIII of the Social Security Act that would—

(i) in lieu of the rates that would otherwise apply under PAC payments systems

(as defined in subsection (a)(2)(D) of such section 1899B), base payments under such title, with respect to items and services furnished to an individual by a PAC provider (as defined in subsection (a)(2)(A) of such section), according to individual characteristics (such as cognitive ability, functional status, and impairments) of such individual instead of the post-acute care setting in which the individual is furnished such items and services;

(ii) account for the clinical appropriateness of items and services so furnished and patient outcomes; and

(iii) be designed to incorporate (or otherwise account for) standardized patient assessment data under section 1899B.

(B) REPORT BY MEDPAC.—Not later than the first June 30th following the date on which the report is required under subparagraph (A), the Medicare Payment Advisory Commission shall submit to Congress a report, including recommendations and a technical prototype, on a post-acute care prospective payment system under title XVIII of the Social Security Act

that would satisfy the criteria described in clauses (i) and (ii) of subparagraph (A).

(c) PAYMENT CONSEQUENCES UNDER THE APPLICABLE REPORTING PROVISIONS.—

(1) HOME HEALTH AGENCIES.—Section 1895(b)(3)(B)(v)(II) of the Social Security Act (42 U.S.C. 1395fff(b)(3)(B)(v)(II)) is amended by inserting after the first sentence the following new sentences: ''For 2017 and each subsequent year, such data required to be submitted under this subclause shall include data on the quality measures under subsection (c)(1) of section 1899B and any necessary data specified by the Secretary under subsection (d)(1) of such section. For 2019 and each subsequent year, in addition to such data described in the previous sentences, each home health agency shall submit to the Secretary standardized patient assessment data required under subsection (b)(1) of section 1899B. To the extent such standardized data under subsection (b)(1) of such section, data on quality measures required under subsection (c)(1) of such section, or necessary data required under subsection (d)(1) of such section are duplicative of any other data required to be reported under this subclause, the submission of such standardized data,

data on such quality measures, or necessary data, respectively, shall be required under this subclause in lieu of the submission of such other data.''.

(2) INPATIENT REHABILITATION FACILITIES.—Section 1886(j)(7)(C) of the Social Security Act (42 U.S.C. 1395ww(j)(7)(C)) is amended by inserting after the first sentence the following new sentences: ''For fiscal year 2017 and each subsequent fiscal year, in addition to such data on such quality measures, each rehabilitation facility shall submit to the Secretary data on the quality measures under subsection (c)(1) of section 1899B and any necessary data specified by the Secretary under subsection (d)(1) of such section. For fiscal year 2019 and each subsequent fiscal year, in addition to such data described in the previous sentences, each rehabilitation facility shall submit to the Secretary standardized patient assessment data required under subsection (b)(1) of section 1899B. To the extent such standardized data under subsection (b)(1) of such section, data on quality measures required under subsection (c)(1) of such section, or necessary data required under subsection (d)(1) of such section are duplicative of any other data required to be reported under this subparagraph, the submission of such standard-

ized data, data on such quality measures, or necessary data, respectively, shall be required under this subparagraph in lieu of the submission of such other data.''

(3) LONG-TERM CARE HOSPITALS.—Section 1886(m)(5)(C) of the Social Security Act (42 U.S.C. 1395ww(m)(5)(C)) is amended by inserting after the first sentence the following new sentences: ''For rate year 2017 and each subsequent rate year, in addition to such data on such quality measures, each long-term care hospital (other than a hospital classified under subsection (b)(3)(B)(iv)(II)) shall submit to the Secretary data on the quality measures under subsection (c)(1) of section 1899B and any necessary data specified by the Secretary under subsection (d)(1) of such section. For rate year 2019 and each subsequent rate year, in addition to such data described in the previous sentences, each long-term care hospital (other than a hospital classified under subsection (b)(3)(B)(iv)(II)) shall submit to the Secretary standardized patient assessment data required under subsection (b)(1) of section 1899B. To the extent such standardized data under subsection (b)(1) of such section, data on quality measures required under subsection (c)(1) of such sec-

tion, or necessary data required under subsection (d)(1) of such section are duplicative of any other data required to be reported under this subparagraph, the submission of such standardized data, data on such quality measures, or necessary data, respectively, shall be required under this subparagraph in lieu of the submission of such other data.''

(4) SKILLED NURSING FACILITIES.—Paragraph (6) of section 1888(e) of the Social Security Act is amended to read as follows:

''(6) REPORTING OF ASSESSMENT AND QUALITY DATA.—

''(A) REDUCTION IN UPDATE FOR FAILURE TO REPORT.—

''(i) IN GENERAL.—For fiscal years beginning on or after October 1, 2016, in the case of a skilled nursing facility that does not submit, in accordance with subparagraph (B) with respect to such a fiscal year, data on the quality measures specified under subsection (c)(1) of section 1899B, any necessary data specified by the Secretary under subsection (d)(1) of such section, and (for fiscal years beginning on or after October 1, 2018) standardized pa-

tient assessment data specified under subsection (b)(1) of such section, after determining the percentage described in paragraph (5)(B)(i), and after application of paragraph (5)(B)(ii), the Secretary shall reduce such percentage for payment rates during such fiscal year by 2 percentage points.

''(ii) SPECIAL RULE.—The application of this subparagraph may result in the percentage described in paragraph (5)(B)(i), after application of paragraph (5)(B)(ii), being less than 0.0 for a fiscal year, and may result in payment rates under this subsection for a fiscal year being less than such payment rates for the preceding fiscal year.

''(iii) NONCUMULATIVE APPLICATION.—Any reduction under clause (i) shall apply only with respect to the fiscal year involved and the Secretary shall not take into account such reduction in computing the payment amount under this subsection for a subsequent fiscal year.

''(B) ASSESSMENT AND MEASURE DATA.—

"(i) IN GENERAL.—A skilled nursing facility, or a facility described in paragraph (7)(B), shall submit to the Secretary, in a manner and within the timeframes prescribed by the Secretary—

"(I) the resident assessment data necessary to develop and implement the rates under this subsection;

"(II) for fiscal years beginning on or after October 1, 2016, data on the quality measures under subsection (c)(1) of section 1899B and any necessary data specified by the Secretary under subsection (d)(1) of such section; and

"(III) for fiscal years beginning on or after October 1, 2018, standardized patient assessment data required under subsection (b)(1) of section 1899B.

To the extent such standardized data under subsection (b)(1) of such section, data on quality measures required under subsection (c)(1) of such section, or necessary data required under subsection

(d)(1) of such section are duplicative of any other data required to be reported under this subparagraph, the submission of such standardized data, data on such quality measures, or necessary data, respectively, shall be required under this subparagraph in lieu of the submission of such other data.

''(ii) USE OF STANDARD INSTRUMENT.—For purposes of meeting the requirement under clause (i), a skilled nursing facility, or a facility described in paragraph (7)(B), may submit the resident assessment data required under section 1819(b)(3), using the standard instrument designated by the State under section 1819(e)(5).''.

(5) SUBSECTION (D) HOSPITALS.—Section 1886(b)(3)(B)(viii) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(viii)) is amended by adding at the end the following new subclause:

''(XII) Effective for payments beginning with fiscal year 2019, in addition to data otherwise required to be submitted on measures selected under this clause, the Secretary shall re-

quire to be submitted the standardized patient assessment data required under subsection (b)(4) of section 1899B. To the extent such standardized data are duplicative of any other data required to be reported under this clause, the submission of such standardized data shall be required under this clause in lieu of the submission of such other data.''.

(6) CRITICAL ACCESS HOSPITALS.—Section 1814(l) of the Social Security Act (42 U.S.C. 1395f(l)) is amended—

(A) by redesignating paragraph (5) as paragraph (6); and

(B) by inserting after paragraph (4) the following new paragraph:

''(5)(A) For cost reporting periods beginning in fiscal year 2019 or a subsequent fiscal year, in the case of a critical access hospital that does not submit to the Secretary, in accordance with subparagraph (B), standardized patient assessment data required under subsection (b)(4) of section 1899B with respect to such a fiscal year, paragraph (1) shall be applied to such critical access hospital for such fiscal year by reducing the percent described in such paragraph (determined without regard to para-

graph (4)) by 2 percentage points. Such reduction shall apply only with respect to the fiscal year involved and the Secretary shall not take into account such reduction in computing the payment amount under this subsection for a subsequent fiscal year.

''(B) A critical access hospital shall submit to the Secretary, in a manner and within the timeframes prescribed by the Secretary, standardized patient assessment data required under subsection (b)(4) of section 1899B. To the extent such standardized data are duplicative of any other data required to be reported under this subsection, the submission of such standardized data shall be required under this subsection in lieu of the submission of such other data.

''(C) The Secretary shall establish procedures for making data submitted under subparagraph (B) available to the public. Such procedures shall ensure that a critical access hospital has the opportunity to review the data that is to be made public with respect to the facility prior to such data being made public. The Secretary shall report such standardized patient assessment data that relate to services furnished in inpatient settings in critical access hos-

pitals on the Internet website of the Centers for Medicare & Medicaid Services.''.

(7) PPS-EXEMPT CANCER HOSPITALS.—

(A) IN GENERAL.—Section 1866(k) of the Social Security Act (42 U.S.C. 1395cc(k)) is amended—

(i) by striking paragraph (2) and inserting the following:

''(2) SUBMISSION OF DATA.—

''(A) IN GENERAL.—For fiscal year 2014 and each subsequent fiscal year, each hospital described in such section shall submit to the Secretary data on quality measures specified under paragraph (3). For fiscal year 2019 and each subsequent fiscal year, in addition to such data on quality measures, each hospital described in such section shall submit to the Secretary standardized patient assessment data required under subsection (b)(4) of section 1899B. To the extent such standardized data are duplicative of any other data required to be reported under this subsection, the submission of such standardized data shall be required under this subsection in lieu of the submission of such other data.

''(B) ADMINISTRATION.—Data required under subparagraph (A) shall be submitted in a form and manner, and at a time, specified by the Secretary for purposes of this subsection.'';

(ii) in paragraph (4), by striking ''paragraph (4)'' and inserting ''paragraph (2)''; and

(iii) by adding at the end the following new paragraph:

''(5) REDUCTION FOR FAILURE TO REPORT STANDARDIZED PATIENT ASSESSMENT DATA.—For fiscal year 2019 or a subsequent fiscal year, in the case of a hospital described in section 1886(d)(1)(B)(v) that does not submit to the Secretary, in accordance with paragraph (2), standardized patient assessment data required under subsection (b)(4) of section 1899B with respect to such fiscal year, the applicable percentage increase under subparagraph (B)(ii) of section 1886(b)(3) otherwise applicable to such hospital for purposes of subparagraph (E) of such section for such fiscal year shall be reduced by 2 percentage points. Such reduction shall apply only with respect to the fiscal year involved and the Secretary shall not take into account

such reduction in computing the payment amount under section 1886(b) for a subsequent fiscal year.''.

(B) CONFORMING AMENDMENT.—Section 1886(b)(3)(B)(ii)(VIII) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(ii)(VIII)) is amended by inserting ''subject to section 1866(k)(5),'' before ''subsequent fiscal years''.

(d) IMPROVING PAYMENT ACCURACY UNDER THE PAC PAYMENT SYSTEMS AND OTHER MEDICARE PAYMENT SYSTEMS.—

(1) STUDIES AND REPORTS OF EFFECT OF CERTAIN INFORMATION ON QUALITY AND RESOURCE USE.—

(A) STUDY USING EXISTING MEDICARE DATA.—

(i) STUDY.—The Secretary of Health and Human Services (in this subsection referred to as the ''Secretary'') shall conduct a study that examines the effect of individuals' socioeconomic status on quality measures and resource use and other measures for individuals under the Medicare program under title XVIII of the Social Security Act (such as to recognize that less healthy individuals may require more in-

tensive interventions). The study shall use information collected on such individuals in carrying out such program, such as urban and rural location, eligibility for Medicaid under title XIX of such Act (recognizing and accounting for varying Medicaid eligibility across States), and eligibility for benefits under the supplemental security income (SSI) program. The Secretary shall carry out this paragraph acting through the Assistant Secretary for Planning and Evaluation.

(ii) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study conducted under clause (i).

(B) STUDY USING OTHER DATA.—

(i) STUDY.—The Secretary shall conduct a study that examines the impact of risk factors, such as those described in section 1848(p)(3) of the Social Security Act (42 U.S.C. 1395w–4(p)(3)), race, health literacy, limited English proficiency (LEP), and patient activation, on quality measures

and resource use and other measures under the Medicare program (such as to recognize that less healthy individuals may require more intensive interventions). In conducting such study the Secretary may use existing Federal data and collect such additional data as may be necessary to complete the study.

(ii) REPORT.—Not later than 5 years after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study conducted under clause (i).

(C) EXAMINATION OF DATA IN CONDUCTING STUDIES.—In conducting the studies under subparagraphs (A) and (B), the Secretary shall examine what non-Medicare data sets, such as data from the American Community Survey (ACS), can be useful in conducting the types of studies under such paragraphs and how such data sets that are identified as useful can be coordinated with Medicare administrative data in order to improve the overall data set available to do such studies and for the administration of the Medicare program.

(D) RECOMMENDATIONS TO ACCOUNT FOR INFORMATION IN PAYMENT ADJUSTMENT MECHANISMS.—If the studies conducted under subparagraphs (A) and (B) find a relationship between the factors examined in the studies and quality measures and resource use and other measures, then the Secretary shall also provide recommendations for how the Centers for Medicare & Medicaid Services should—

(i) obtain access to the necessary data (if such data is not already being collected) on such factors, including recommendations on how to address barriers to the Centers in accessing such data; and

(ii) account for such factors in specifying quality measures and resource use and other measures under subsections (c) and (d) of section 1899B of the Social Security Act, as added by subsection (a), and, as the Secretary determines appropriate, other similar provisions of, including payment adjustments under, title XVIII of such Act.

(E) FUNDING.—There are hereby appropriated to the Secretary from the Federal Hos-

pital Insurance Trust Fund under section 1817 and the Federal Supplementary Medical Insurance Trust Fund under section 1841 (in proportions determined appropriate by the Secretary) to carry out this paragraph $6,000,000, to remain available until expended.

(2) CMS ACTIVITIES.—

(A) IN GENERAL.—Taking into account the relevant studies conducted and recommendations made in reports under paragraph (1) and other information as appropriate, the Secretary, on an ongoing basis, shall, as the Secretary determines appropriate, estimate how an individual's health status and other risk factors affect quality measures and resource use and other measures, including for purposes of incorporating such factors into such measures (including measures specified in subsections (c) and (d) of section 1899B of the Social Security Act, as added by subsection (a)), and, as the Secretary determines appropriate, incorporating such factors into other similar provisions of, including payment adjustments under, title XVIII of such Act.

(B) ACCESSING DATA.—The Secretary shall collect or otherwise obtain access to the data necessary to carry out this paragraph through existing and new data sources.

(C) PERIODIC ANALYSES.—The Secretary shall carry out periodic analyses, at least every 3 years, based on the factors referred to in subparagraph (A) so as to monitor changes in possible relationships.

(D) FUNDING.—There are hereby appropriated to the Secretary from the Federal Hospital Insurance Trust Fund under section 1817 and the Federal Supplementary Medical Insurance Trust Fund under section 1841 (in proportions determined appropriate by the Secretary) to carry out this paragraph $10,000,000, to remain available until expended.

(3) STRATEGIC PLAN FOR ACCESSING RACE AND ETHNICITY DATA.—Not later than 18 months after the date of the enactment of this Act, the Secretary shall develop and report to Congress on a strategic plan for collecting or otherwise accessing data on race and ethnicity for purposes of specifying quality measures and resource use and other meas-

ures under subsections (c) and (d) of section 1899B of the Social Security Act, as added by subsection (a), and, as the Secretary determines appropriate, other similar provision of, including payment adjustments under, title XVIII of such Act.