

ASC QUALITY REPORT

Section 109. Quality reporting for hospital outpatient services and ambulatory surgical center services

(a) Outpatient Hospital Services.

Current Law

Each year the hospital outpatient department (OPD) fee schedule is increased by a factor that is generally based on the hospital market basket (MB) percentage increase. In certain years, the MB has been reduced by percentage points as specified by statute.

Explanation of Provision

Starting in 2009 and for each subsequent year, a hospital paid under the inpatient prospective payment system (IPPS) that does not submit required measures will receive an OPD fee schedule increase of the MB minus 2.0 percentage points. A reduction under this provision would only apply to payments for the year involved and would not be taken into account when computing the OPD fee schedule increase in a subsequent year.

Each IPPS hospital is required to submit data on measures under this section in the form, manner, and timing specified by the Secretary. The Secretary would be required to develop appropriate measures for the measurement of the quality of care (including medication errors) furnished by hospitals in outpatient settings and that reflect consensus among affected parties. To the extent feasible and practicable, the measures shall include those set forth by one or more national consensus building entities. Nothing would prevent the Secretary from selecting the IPPS quality measures or a subset of such measures. The Secretary would be able to replace any measures as appropriate, such as where all hospitals are effectively in compliance or the measures have subsequently been shown not to represent the best clinical practice.

The Secretary would be required to establish procedures for making the submitted data available to the public. These procedures would ensure that a hospital has the opportunity to review data prior to being made available to the public. The Secretary would be required to report quality measures of process, structure, outcome, patients'

perspective on care, efficiency, and costs of care on the Internet website of the Centers for Medicare and Medicaid Services. Other conforming amendments would also be established.

(b) Application to Ambulatory Surgical Centers.

Current Law

Presently, Medicare pays for surgery-related facility services in an ambulatory surgical center (ASC) based on a fee schedule. The Medicare Prescription Drug, Improvement, and Modernization Act of 2006 (MMA) required the Secretary to implement a revised payment system for ASCs no later than January 1, 2008, taking into account recommendations issued by a required report from the Government Accountability Office (GAO). The GAO report, which has just been issued, was required to examine the relative costs of ASC services to those in hospital outpatient departments. GAO was also required to recommend whether CMS should use the outpatient prospective payment system as the basis for the revised ASC system. Total payments under the new system should be equal to total projected payments under the old system.

Explanation of Provision

In the revised payment system, the Secretary would be able to provide for a reduction in any annual update of 2.0 percentage points for failure to report required quality measures. A reduction under this provision would only apply to payments for the year involved and would not be taken into account when computing any annual increase factor in subsequent years. Except as otherwise provided by the Secretary, the provisions of subparagraphs (B), (C), (D), and (E) of the newly established Section 1833(t)(17) concerning the form and submission of data, the development of outpatient measures, the replacement of measures, and the availability of quality measures in a hospital outpatient setting would apply to ASC services.

(c) Effective Date.

Current Law

No provision.

Explanation of Provision

The amendments made by the section would apply to payment for services furnished starting January 1, 2009.

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(Original Signature of Member)

109TH CONGRESS
2D SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to extend expiring provisions,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. THOMAS introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to extend
expiring provisions, and for other purposes.

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, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Tax Relief and Health Care Act of 2006”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title, etc.

DIVISION A—EXTENSION AND EXPANSION OF CERTAIN TAX
RELIEF PROVISIONS, AND OTHER TAX PROVISIONS

1 (1) on or after April 1, 2007; and

2 (2) on or after July 1, 2006, and before April
3 1, 2007, for claims that are unpaid as of April 1,
4 2007.

5 **SEC. 109. QUALITY REPORTING FOR HOSPITAL OUT-**
6 **PATIENT SERVICES AND AMBULATORY SUR-**
7 **GICAL CENTER SERVICES.**

8 (a) **OUTPATIENT HOSPITAL SERVICES.—**

9 (1) **IN GENERAL.—**Section 1833(t) of the Social
10 Security Act (42 U.S.C. 1395l(t)) is amended—

11 (A) in paragraph (3)(C)(iv), by inserting
12 “subject to paragraph (17),” after “For pur-
13 poses of this subparagraph,”; and

14 (B) by adding at the end the following new
15 paragraph:

16 “(17) **QUALITY REPORTING.—**

17 “(A) **REDUCTION IN UPDATE FOR FAILURE**
18 **TO REPORT.—**

19 “(i) **IN GENERAL.—**For purposes of
20 paragraph (3)(C)(iv) for 2009 and each
21 subsequent year, in the case of a sub-
22 section (d) hospital (as defined in section
23 1886(d)(1)(B)) that does not submit, to
24 the Secretary in accordance with this para-
25 graph, data required to be submitted on

1 measures selected under this paragraph
2 with respect to such a year, the OPD fee
3 schedule increase factor under paragraph
4 (3)(C)(iv) for such year shall be reduced
5 by 2.0 percentage points.

6 “(ii) NON-CUMULATIVE APPLICA-
7 TION.—A reduction under this subpara-
8 graph shall apply only with respect to the
9 year involved and the Secretary shall not
10 take into account such reduction in com-
11 puting the OPD fee schedule increase fac-
12 tor for a subsequent year.

13 “(B) FORM AND MANNER OF SUBMIS-
14 SION.—Each subsection (d) hospital shall sub-
15 mit data on measures selected under this para-
16 graph to the Secretary in a form and manner,
17 and at a time, specified by the Secretary for
18 purposes of this paragraph.

19 “(C) DEVELOPMENT OF OUTPATIENT
20 MEASURES.—

21 “(i) IN GENERAL.—The Secretary
22 shall develop measures that the Secretary
23 determines to be appropriate for the meas-
24 urement of the quality of care (including
25 medication errors) furnished by hospitals

1 in outpatient settings and that reflect con-
2 sensus among affected parties and, to the
3 extent feasible and practicable, shall in-
4 clude measures set forth by one or more
5 national consensus building entities.

6 “(ii) CONSTRUCTION.—Nothing in
7 this paragraph shall be construed as pre-
8 venting the Secretary from selecting meas-
9 ures that are the same as (or a subset of)
10 the measures for which data are required
11 to be submitted under section
12 1886(b)(3)(B)(viii).

13 “(D) REPLACEMENT OF MEASURES.—For
14 purposes of this paragraph, the Secretary may
15 replace any measures or indicators in appro-
16 priate cases, such as where all hospitals are ef-
17 fectively in compliance or the measures or indi-
18 cators have been subsequently shown not to
19 represent the best clinical practice.

20 “(E) AVAILABILITY OF DATA.—The Sec-
21 retary shall establish procedures for making
22 data submitted under this paragraph available
23 to the public. Such procedures shall ensure that
24 a hospital has the opportunity to review the
25 data that are to be made public with respect to

1 the hospital prior to such data being made pub-
2 lic. The Secretary shall report quality measures
3 of process, structure, outcome, patients' per-
4 spectives on care, efficiency, and costs of care
5 that relate to services furnished in outpatient
6 settings in hospitals on the Internet website of
7 the Centers for Medicare & Medicaid Services.”.

8 (2) CONFORMING AMENDMENT.—Section
9 1886(b)(3)(B)(viii)(III) of such Act (42 U.S.C.
10 1395ww(b)(3)(B)(viii)(III)) is amended by inserting
11 “(including medication errors)” after “quality of
12 care”.

13 (b) APPLICATION TO AMBULATORY SURGICAL CEN-
14 TERS.—Section 1833(i) of such Act (42 U.S.C. 1935l(i))
15 is amended—

16 (1) in paragraph (2)(D), by redesignating
17 clause (iv) as clause (v) and by inserting after clause
18 (iii) the following new clause:

19 “(iv) The Secretary may implement such system in
20 a manner so as to provide for a reduction in any annual
21 update for failure to report on quality measures in accord-
22 ance with paragraph (7).”; and

23 (2) by adding at the end the following new
24 paragraph:

1 “(7)(A) For purposes of paragraph (2)(D)(iv), the
2 Secretary may provide, in the case of an ambulatory sur-
3 gical center that does not submit, to the Secretary in ac-
4 cordance with this paragraph, data required to be sub-
5 mitted on measures selected under this paragraph with re-
6 spect to a year, any annual increase provided under the
7 system established under paragraph (2)(D) for such year
8 shall be reduced by 2.0 percentage points. A reduction
9 under this subparagraph shall apply only with respect to
10 the year involved and the Secretary shall not take into
11 account such reduction in computing any annual increase
12 factor for a subsequent year.

13 “(B) Except as the Secretary may otherwise provide,
14 the provisions of subparagraphs (B), (C), (D), and (E)
15 of paragraph (17) of section 1833(t) shall apply with re-
16 spect to services of ambulatory surgical centers under this
17 paragraph in a similar manner to the manner in which
18 they apply under such paragraph and, for purposes of this
19 subparagraph, any reference to a hospital, outpatient set-
20 ting, or outpatient hospital services is deemed a reference
21 to an ambulatory surgical center, the setting of such a
22 center, or services of such a center, respectively.”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to payment for services furnished
25 on or after January 1, 2009.