

106TH CONGRESS
1ST SESSION

S. 580

AN ACT

To amend title IX of the Public Health Service Act to revise and extend the Agency for Healthcare Policy and Research.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Healthcare Research
5 and Quality Act of 1999”.

1 **SEC. 2. AMENDMENT TO THE PUBLIC HEALTH SERVICE**
2 **ACT.**

3 (a) IN GENERAL.—Title IX of the Public Health
4 Service Act (42 U.S.C. 299 et seq.) is amended to read
5 as follows:

6 **“TITLE IX—AGENCY FOR**
7 **HEALTHCARE RESEARCH**
8 **AND QUALITY**

9 **“PART A—ESTABLISHMENT AND GENERAL**
10 **DUTIES**

11 **“SEC. 901. MISSION AND DUTIES.**

12 “(a) IN GENERAL.—There is established within the
13 Public Health Service an agency to be known as the Agen-
14 cy for Healthcare Research and Quality, which shall be
15 headed by a director appointed by the Secretary. The Sec-
16 retary shall carry out this title acting through the Direc-
17 tor.

18 “(b) MISSION.—The purpose of the Agency is to en-
19 hance the quality, appropriateness, and effectiveness of
20 health services, and access to such services, through the
21 establishment of a broad base of scientific research and
22 through the promotion of improvements in clinical and
23 health system practices, including the prevention of dis-
24 eases and other health conditions. The Agency shall pro-
25 mote health care quality improvement by conducting and
26 supporting—

1 “(1) research that develops and presents sci-
2 entific evidence regarding all aspects of health care,
3 including—

4 “(A) the development and assessment of
5 methods for enhancing patient participation in
6 their own care and for facilitating shared pa-
7 tient-physician decision-making;

8 “(B) the outcomes, effectiveness, and cost-
9 effectiveness of health care practices, including
10 preventive measures and long-term care;

11 “(C) existing and innovative technologies;

12 “(D) the costs and utilization of, and ac-
13 cess to health care;

14 “(E) the ways in which health care services
15 are organized, delivered, and financed and the
16 interaction and impact of these factors on the
17 quality of patient care;

18 “(F) methods for measuring quality and
19 strategies for improving quality; and

20 “(G) ways in which patients, consumers,
21 purchasers, and practitioners acquire new infor-
22 mation about best practices and health benefits,
23 the determinants and impact of their use of this
24 information;

1 “(2) the synthesis and dissemination of avail-
2 able scientific evidence for use by patients, con-
3 sumers, practitioners, providers, purchasers, policy
4 makers, and educators; and

5 “(3) initiatives to advance private and public ef-
6 forts to improve health care quality.

7 “(c) REQUIREMENTS WITH RESPECT TO RURAL AND
8 INNER-CITY AREAS AND PRIORITY POPULATIONS.—

9 “(1) RESEARCH, EVALUATIONS AND DEM-
10 ONSTRATION PROJECTS.—In carrying out this title,
11 the Director shall conduct and support research and
12 evaluations, and support demonstration projects,
13 with respect to—

14 “(A) the delivery of health care in inner-
15 city areas, and in rural areas (including frontier
16 areas); and

17 “(B) health care for priority populations,
18 which shall include—

19 “(i) low-income groups;

20 “(ii) minority groups;

21 “(iii) women;

22 “(iv) children;

23 “(v) the elderly; and

24 “(vi) individuals with special health
25 care needs, including individuals with dis-

1 abilities and individuals who need chronic
2 care or end-of-life health care.

3 “(2) PROCESS TO ENSURE APPROPRIATE RE-
4 SEARCH.—The Director shall establish a process to
5 ensure that the requirements of paragraph (1) are
6 reflected in the overall portfolio of research con-
7 ducted and supported by the Agency.

8 “(3) OFFICE OF PRIORITY POPULATIONS.—The
9 Director shall establish an Office of Priority Popu-
10 lations to assist in carrying out the requirements of
11 paragraph (1).

12 **“SEC. 902. GENERAL AUTHORITIES.**

13 “(a) IN GENERAL.—In carrying out section 901(b),
14 the Director shall conduct and support research, evalua-
15 tions, and training, support demonstration projects, re-
16 search networks, and multi-disciplinary centers, provide
17 technical assistance, and disseminate information on
18 health care and on systems for the delivery of such care,
19 including activities with respect to—

20 “(1) the quality, effectiveness, efficiency, appro-
21 priateness and value of health care services;

22 “(2) quality measurement and improvement;

23 “(3) the outcomes, cost, cost-effectiveness, and
24 use of health care services and access to such serv-
25 ices;

1 “(4) clinical practice, including primary care
2 and practice-oriented research;

3 “(5) health care technologies, facilities, and
4 equipment;

5 “(6) health care costs, productivity, organiza-
6 tion, and market forces;

7 “(7) health promotion and disease prevention,
8 including clinical preventive services;

9 “(8) health statistics, surveys, database devel-
10 opment, and epidemiology; and

11 “(9) medical liability.

12 “(b) HEALTH SERVICES TRAINING GRANTS.—

13 “(1) IN GENERAL.—The Director may provide
14 training grants in the field of health services re-
15 search related to activities authorized under sub-
16 section (a), to include pre- and post-doctoral fellow-
17 ships and training programs, young investigator
18 awards, and other programs and activities as appro-
19 priate. In carrying out this subsection, the Director
20 shall make use of funds made available under sec-
21 tion 487(d)(3) as well as other appropriated funds.

22 “(2) REQUIREMENTS.—In developing priorities
23 for the allocation of training funds under this sub-
24 section, the Director shall take into consideration
25 shortages in the number of trained researchers who

1 are addressing health care issues for the priority
2 populations identified in section 901(c)(1)(B) and in
3 addition, shall take into consideration indications of
4 long-term commitment, amongst applicants for
5 training funds, to addressing health care needs of
6 the priority populations.

7 “(c) MULTIDISCIPLINARY CENTERS.—The Director
8 may provide financial assistance to assist in meeting the
9 costs of planning and establishing new centers, and oper-
10 ating existing and new centers, for multidisciplinary
11 health services research, demonstration projects, evalua-
12 tions, training, and policy analysis with respect to the mat-
13 ters referred to in subsection (a).

14 “(d) RELATION TO CERTAIN AUTHORITIES REGARD-
15 ING SOCIAL SECURITY.—Activities authorized in this sec-
16 tion shall be appropriately coordinated with experiments,
17 demonstration projects, and other related activities au-
18 thorized by the Social Security Act and the Social Security
19 Amendments of 1967. Activities under subsection (a)(2)
20 of this section that affect the programs under titles XVIII,
21 XIX and XXI of the Social Security Act shall be carried
22 out consistent with section 1142 of such Act.

23 “(e) DISCLAIMER.—The Agency shall not mandate
24 national standards of clinical practice or quality health
25 care standards. Recommendations resulting from projects

1 funded and published by the Agency shall include a cor-
 2 responding disclaimer.

3 “(f) **RULE OF CONSTRUCTION.**—Nothing in this sec-
 4 tion shall be construed to imply that the Agency’s role is
 5 to mandate a national standard or specific approach to
 6 quality measurement and reporting. In research and qual-
 7 ity improvement activities, the Agency shall consider a
 8 wide range of choices, providers, health care delivery sys-
 9 tems, and individual preferences.

10 “(g) **ANNUAL REPORT.**—Beginning with fiscal year
 11 2003, the Director shall annually submit to the Congress
 12 a report regarding prevailing disparities in health care de-
 13 livery as it relates to racial factors and socioeconomic fac-
 14 tors in priority populations.

15 **“PART B—HEALTH CARE IMPROVEMENT**

16 **RESEARCH**

17 **“SEC. 911. HEALTH CARE OUTCOME IMPROVEMENT RE-**
 18 **SEARCH.**

19 “(a) **EVIDENCE RATING SYSTEMS.**—In collaboration
 20 with experts from the public and private sector, the Agen-
 21 cy shall identify and disseminate methods or systems to
 22 assess health care research results, particularly methods
 23 or systems to rate the strength of the scientific evidence
 24 underlying health care practice, recommendations in the
 25 research literature, and technology assessments. The

1 Agency shall make methods or systems for evidence rating
2 widely available. Agency publications containing health
3 care recommendations shall indicate the level of substan-
4 tiating evidence using such methods or systems.

5 “(b) HEALTH CARE IMPROVEMENT RESEARCH CEN-
6 TERS AND PROVIDER-BASED RESEARCH NETWORKS.—

7 “(1) IN GENERAL.—In order to address the full
8 continuum of care and outcomes research, to link re-
9 search to practice improvement, and to speed the
10 dissemination of research findings to community
11 practice settings, the Agency shall employ research
12 strategies and mechanisms that will link research di-
13 rectly with clinical practice in geographically diverse
14 locations throughout the United States, including—

15 “(A) health care improvement research
16 centers that combine demonstrated multidisci-
17 plinary expertise in outcomes or quality im-
18 provement research with linkages to relevant
19 sites of care;

20 “(B) provider-based research networks, in-
21 cluding plan, facility, or delivery system sites of
22 care (especially primary care), that can evaluate
23 outcomes and evaluate and promote quality im-
24 provement; and

1 “(C) other innovative mechanisms or strat-
2 egies to link research with clinical practice.

3 “(2) REQUIREMENTS.—The Director is author-
4 ized to establish the requirements for entities apply-
5 ing for grants under this subsection.

6 **“SEC. 912. PRIVATE-PUBLIC PARTNERSHIPS TO IMPROVE**
7 **ORGANIZATION AND DELIVERY.**

8 “(a) SUPPORT FOR EFFORTS TO DEVELOP INFOR-
9 MATION ON QUALITY.—

10 “(1) SCIENTIFIC AND TECHNICAL SUPPORT.—

11 In its role as the principal agency for health care re-
12 search and quality, the Agency may provide sci-
13 entific and technical support for private and public
14 efforts to improve health care quality, including the
15 activities of accrediting organizations.

16 “(2) ROLE OF THE AGENCY.—With respect to
17 paragraph (1), the role of the Agency shall include—

18 “(A) the identification and assessment of
19 methods for the evaluation of the health of—

20 “(i) enrollees in health plans by type
21 of plan, provider, and provider arrange-
22 ments; and

23 “(ii) other populations, including
24 those receiving long-term care services;

1 “(B) the ongoing development, testing, and
2 dissemination of quality measures, including
3 measures of health and functional outcomes;

4 “(C) the compilation and dissemination of
5 health care quality measures developed in the
6 private and public sector;

7 “(D) assistance in the development of im-
8 proved health care information systems;

9 “(E) the development of survey tools for
10 the purpose of measuring participant and bene-
11 ficiary assessments of their health care; and

12 “(F) identifying and disseminating infor-
13 mation on mechanisms for the integration of in-
14 formation on quality into purchaser and con-
15 sumer decision-making processes.

16 “(b) CENTERS FOR EDUCATION AND RESEARCH ON
17 THERAPEUTICS.—

18 “(1) IN GENERAL.—The Secretary, acting
19 through the Director and in consultation with the
20 Commissioner of Food and Drugs, shall establish a
21 program for the purpose of making one or more
22 grants for the establishment and operation of one or
23 more centers to carry out the activities specified in
24 paragraph (2).

1 “(2) REQUIRED ACTIVITIES.—The activities re-
2 ferred to in this paragraph are the following:

3 “(A) The conduct of state-of-the-art re-
4 search for the following purposes:

5 “(i) To increase awareness of—

6 “(I) new uses of drugs, biological
7 products, and devices;

8 “(II) ways to improve the effec-
9 tive use of drugs, biological products,
10 and devices; and

11 “(III) risks of new uses and risks
12 of combinations of drugs and biologi-
13 cal products.

14 “(ii) To provide objective clinical in-
15 formation to the following individuals and
16 entities:

17 “(I) Health care practitioners
18 and other providers of health care
19 goods or services.

20 “(II) Pharmacists, pharmacy
21 benefit managers and purchasers.

22 “(III) Health maintenance orga-
23 nizations and other managed health
24 care organizations.

1 “(IV) Health care insurers and
2 governmental agencies.

3 “(V) Patients and consumers.

4 “(iii) To improve the quality of health
5 care while reducing the cost of health care
6 through—

7 “(I) an increase in the appro-
8 priate use of drugs, biological prod-
9 ucts, or devices; and

10 “(II) the prevention of adverse
11 effects of drugs, biological products,
12 and devices and the consequences of
13 such effects, such as unnecessary hos-
14 pitalizations.

15 “(B) The conduct of research on the com-
16 parative effectiveness, cost-effectiveness, and
17 safety of drugs, biological products, and devices.

18 “(C) Such other activities as the Secretary
19 determines to be appropriate, except that a
20 grant may not be expended to assist the Sec-
21 retary in the review of new drugs, biological
22 products, and devices.

23 “(c) REDUCING ERRORS IN MEDICINE.—The Direc-
24 tor shall conduct and support research and build private-
25 public partnerships to—

1 “(1) identify the causes of preventable health
2 care errors and patient injury in health care deliv-
3 ery;

4 “(2) develop, demonstrate, and evaluate strate-
5 gies for reducing errors and improving patient safe-
6 ty; and

7 “(3) disseminate such effective strategies
8 throughout the health care industry.

9 **“SEC. 913. INFORMATION ON QUALITY AND COST OF CARE.**

10 “(a) IN GENERAL.—The Director shall—

11 “(1) conduct a survey to collect data on a na-
12 tionally representative sample of the population on
13 the cost, use and, for fiscal year 2001 and subse-
14 quent fiscal years, quality of health care, including
15 the types of health care services Americans use,
16 their access to health care services, frequency of use,
17 how much is paid for the services used, the source
18 of those payments, the types and costs of private
19 health insurance, access, satisfaction, and quality of
20 care for the general population including rural resi-
21 dents and also for populations identified in section
22 901(c); and

23 “(2) develop databases and tools that provide
24 information to States on the quality, access, and use
25 of health care services provided to their residents.

1 “(b) QUALITY AND OUTCOMES INFORMATION.—

2 “(1) IN GENERAL.—Beginning in fiscal year
3 2001, the Director shall ensure that the survey con-
4 ducted under subsection (a)(1) will—

5 “(A) identify determinants of health out-
6 comes and functional status, including the
7 health care needs of populations identified in
8 section 901(c), provide data to study the rela-
9 tionships between health care quality, outcomes,
10 access, use, and cost, measure changes over
11 time, and monitor the overall national impact of
12 Federal and State policy changes on health
13 care;

14 “(B) provide information on the quality of
15 care and patient outcomes for frequently occur-
16 ring clinical conditions for a nationally rep-
17 resentative sample of the population including
18 rural residents; and

19 “(C) provide reliable national estimates for
20 children and persons with special health care
21 needs through the use of supplements or peri-
22 odic expansions of the survey.

23 In expanding the Medical Expenditure Panel Survey,
24 as in existence on the date of the enactment of this
25 title in fiscal year 2001 to collect information on the

1 quality of care, the Director shall take into account
2 any outcomes measurements generally collected by
3 private sector accreditation organizations.

4 “(2) ANNUAL REPORT.—Beginning in fiscal
5 year 2003, the Secretary, acting through the Direc-
6 tor, shall submit to Congress an annual report on
7 national trends in the quality of health care provided
8 to the American people.

9 **“SEC. 914. INFORMATION SYSTEMS FOR HEALTH CARE IM-**
10 **PROVEMENT.**

11 “(a) IN GENERAL.—In order to foster a range of in-
12 novative approaches to the management and communica-
13 tion of health information, the Agency shall conduct and
14 support research, evaluations, and initiatives to advance—

15 “(1) the use of information systems for the
16 study of health care quality and outcomes, including
17 the generation of both individual provider and plan-
18 level comparative performance data;

19 “(2) training for health care practitioners and
20 researchers in the use of information systems;

21 “(3) the creation of effective linkages between
22 various sources of health information, including the
23 development of information networks;

1 “(4) the delivery and coordination of evidence-
2 based health care services, including the use of real-
3 time health care decision-support programs;

4 “(5) the utility and comparability of health in-
5 formation data and medical vocabularies by address-
6 ing issues related to the content, structure, defini-
7 tions and coding of such information and data in
8 consultation with appropriate Federal, State and
9 private entities;

10 “(6) the use of computer-based health records
11 in all settings for the development of personal health
12 records for individual health assessment and mainte-
13 nance, and for monitoring public health and out-
14 comes of care within populations; and

15 “(7) the protection of individually identifiable
16 information in health services research and health
17 care quality improvement.

18 “(b) DEMONSTRATION.—The Agency shall support
19 demonstrations into the use of new information tools
20 aimed at improving shared decision-making between pa-
21 tients and their care-givers.

22 “(c) FACILITATING PUBLIC ACCESS TO INFORMA-
23 TION.—The Director shall work with appropriate public
24 and private sector entities to facilitate public access to in-

1 formation regarding the quality of and consumer satisfac-
2 tion with health care.

3 **“SEC. 915. RESEARCH SUPPORTING PRIMARY CARE AND**
4 **ACCESS IN UNDERSERVED AREAS.**

5 “(a) PREVENTIVE SERVICES TASK FORCE.—

6 “(1) ESTABLISHMENT AND PURPOSE.—The Di-
7 rector may periodically convene a Preventive Serv-
8 ices Task Force to be composed of individuals with
9 appropriate expertise. Such a task force shall review
10 the scientific evidence related to the effectiveness,
11 appropriateness, and cost-effectiveness of clinical
12 preventive services for the purpose of developing rec-
13 ommendations for the health care community, and
14 updating previous clinical preventive recommenda-
15 tions.

16 “(2) ROLE OF AGENCY.—The Agency shall pro-
17 vide ongoing administrative, research, and technical
18 support for the operations of the Preventive Services
19 Task Force, including coordinating and supporting
20 the dissemination of the recommendations of the
21 Task Force.

22 “(3) OPERATION.—In carrying out its respon-
23 sibilities under paragraph (1), the Task Force is not
24 subject to the provisions of Appendix 2 of title 5,
25 United States Code.

1 “(b) PRIMARY CARE RESEARCH.—

2 “(1) IN GENERAL.—There is established within
3 the Agency a Center for Primary Care Research (re-
4 ferred to in this subsection as the ‘Center’) that
5 shall serve as the principal source of funding for pri-
6 mary care practice research in the Department of
7 Health and Human Services. For purposes of this
8 paragraph, primary care research focuses on the
9 first contact when illness or health concerns arise,
10 the diagnosis, treatment or referral to specialty care,
11 preventive care, and the relationship between the cli-
12 nician and the patient in the context of the family
13 and community.

14 “(2) RESEARCH.—In carrying out this section,
15 the Center shall conduct and support research
16 concerning—

17 “(A) the nature and characteristics of pri-
18 mary care practice;

19 “(B) the management of commonly occur-
20 ring clinical problems;

21 “(C) the management of undifferentiated
22 clinical problems; and

23 “(D) the continuity and coordination of
24 health services.

1 **“SEC. 916. HEALTH CARE PRACTICE AND TECHNOLOGY IN-**
2 **NOVATION.**

3 “(a) IN GENERAL.—The Director shall promote inno-
4 vation in evidence-based health care practices and tech-
5 nologies by—

6 “(1) conducting and supporting research on the
7 development, diffusion, and use of health care tech-
8 nology;

9 “(2) developing, evaluating, and disseminating
10 methodologies for assessments of health care prac-
11 tices and technologies;

12 “(3) conducting intramural and supporting ex-
13 tramural assessments of existing and new health
14 care practices and technologies;

15 “(4) promoting education and training and pro-
16 viding technical assistance in the use of health care
17 practice and technology assessment methodologies
18 and results; and

19 “(5) working with the National Library of Med-
20 icine and the public and private sector to develop an
21 electronic clearinghouse of currently available assess-
22 ments and those in progress.

23 “(b) SPECIFICATION OF PROCESS.—

24 “(1) IN GENERAL.—Not later than December
25 31, 2000, the Director shall develop and publish a
26 description of the methods used by the Agency and

1 its contractors for health care practice and tech-
2 nology assessment.

3 “(2) CONSULTATIONS.—In carrying out this
4 subsection, the Director shall cooperate and consult
5 with the Assistant Secretary for Health, the Admin-
6 istrator of the Health Care Financing Administra-
7 tion, the Director of the National Institutes of
8 Health, the Commissioner of Food and Drugs, and
9 the heads of any other interested Federal depart-
10 ment or agency, and shall seek input, where appro-
11 priate, from professional societies and other private
12 and public entities.

13 “(3) METHODOLOGY.—The Director shall, in
14 developing the methods used under paragraph (1),
15 consider—

16 “(A) safety, efficacy, and effectiveness;

17 “(B) legal, social, and ethical implications;

18 “(C) costs, benefits, and cost-effectiveness;

19 “(D) comparisons to alternate health care
20 practices and technologies; and

21 “(E) requirements of Food and Drug Ad-
22 ministration approval to avoid duplication.

23 “(c) SPECIFIC ASSESSMENTS.—

1 “(1) IN GENERAL.—The Director shall conduct
2 or support specific assessments of health care tech-
3 nologies and practices.

4 “(2) REQUESTS FOR ASSESSMENTS.—The Di-
5 rector is authorized to conduct or support assess-
6 ments, on a reimbursable basis, for the Health Care
7 Financing Administration, the Department of De-
8 fense, the Department of Veterans Affairs, the Of-
9 fice of Personnel Management, and other public or
10 private entities.

11 “(3) GRANTS AND CONTRACTS.—In addition to
12 conducting assessments, the Director may make
13 grants to, or enter into cooperative agreements or
14 contracts with, entities described in paragraph (4)
15 for the purpose of conducting assessments of experi-
16 mental, emerging, existing, or potentially outmoded
17 health care technologies, and for related activities.

18 “(4) ELIGIBLE ENTITIES.—An entity described
19 in this paragraph is an entity that is determined to
20 be appropriate by the Director, including academic
21 medical centers, research institutions and organiza-
22 tions, professional organizations, third party payers,
23 governmental agencies, minority institutions of high-
24 er education (such as Historically Black Colleges
25 and Universities, and Hispanic institutions), and

1 consortia of appropriate research entities established
2 for the purpose of conducting technology assess-
3 ments.

4 “(d) MEDICAL EXAMINATION OF CERTAIN VIC-
5 TIMS.—

6 “(1) IN GENERAL.—The Director shall develop
7 and disseminate a report on evidence-based clinical
8 practices for—

9 “(A) the examination and treatment by
10 health professionals of individuals who are vic-
11 tims of sexual assault (including child molesta-
12 tion) or attempted sexual assault; and

13 “(B) the training of health professionals,
14 in consultation with the Health Resources and
15 Services Administration, on performing medical
16 evidentiary examinations of individuals who are
17 victims of child abuse or neglect, sexual assault,
18 elder abuse, or domestic violence.

19 “(2) CERTAIN CONSIDERATIONS.—In identi-
20 fying the issues to be addressed by the report, the
21 Director shall, to the extent practicable, take into
22 consideration the expertise and experience of Federal
23 and State law enforcement officials regarding the
24 victims referred to in paragraph (1), and of other
25 appropriate public and private entities (including

1 medical societies, victim services organizations, sex-
2 ual assault prevention organizations, and social serv-
3 ices organizations).

4 **“SEC. 917. COORDINATION OF FEDERAL GOVERNMENT**
5 **QUALITY IMPROVEMENT EFFORTS.**

6 “(a) REQUIREMENT.—

7 “(1) IN GENERAL.—To avoid duplication and
8 ensure that Federal resources are used efficiently
9 and effectively, the Secretary, acting through the Di-
10 rector, shall coordinate all research, evaluations, and
11 demonstrations related to health services research,
12 quality measurement and quality improvement ac-
13 tivities undertaken and supported by the Federal
14 Government.

15 “(2) SPECIFIC ACTIVITIES.—The Director, in
16 collaboration with the appropriate Federal officials
17 representing all concerned executive agencies and de-
18 partments, shall develop and manage a process to—

19 “(A) improve interagency coordination, pri-
20 ority setting, and the use and sharing of re-
21 search findings and data pertaining to Federal
22 quality improvement programs, technology as-
23 sessment, and health services research;

24 “(B) strengthen the research information
25 infrastructure, including databases, pertaining

1 to Federal health services research and health
2 care quality improvement initiatives;

3 “(C) set specific goals for participating
4 agencies and departments to further health
5 services research and health care quality im-
6 provement; and

7 “(D) strengthen the management of Fed-
8 eral health care quality improvement programs.

9 “(b) STUDY BY THE INSTITUTE OF MEDICINE.—

10 “(1) IN GENERAL.—To provide Congress, the
11 Department of Health and Human Services, and
12 other relevant departments with an independent, ex-
13 ternal review of their quality oversight, quality im-
14 provement and quality research programs, the Sec-
15 retary shall enter into a contract with the Institute
16 of Medicine—

17 “(A) to describe and evaluate current qual-
18 ity improvement, quality research and quality
19 monitoring processes through—

20 “(i) an overview of pertinent health
21 services research activities and quality im-
22 provement efforts conducted by all Federal
23 programs, with particular attention paid to
24 those under titles XVIII, XIX, and XXI of
25 the Social Security Act; and

1 “(ii) a summary of the partnerships
2 that the Department of Health and
3 Human Services has pursued with private
4 accreditation, quality measurement and
5 improvement organizations; and

6 “(B) to identify options and make rec-
7 ommendations to improve the efficiency and ef-
8 fectiveness of quality improvement programs
9 through—

10 “(i) the improved coordination of ac-
11 tivities across the medicare, medicaid and
12 child health insurance programs under ti-
13 tles XVIII, XIX and XXI of the Social Se-
14 curity Act and health services research
15 programs;

16 “(ii) the strengthening of patient
17 choice and participation by incorporating
18 state-of-the-art quality monitoring tools
19 and making information on quality avail-
20 able; and

21 “(iii) the enhancement of the most ef-
22 fective programs, consolidation as appro-
23 priate, and elimination of duplicative ac-
24 tivities within various federal agencies.

25 “(2) REQUIREMENTS.—

1 “(A) IN GENERAL.—The Secretary shall
2 enter into a contract with the Institute of Medi-
3 cine for the preparation—

4 “(i) not later than 12 months after
5 the date of the enactment of this title, of
6 a report providing an overview of the qual-
7 ity improvement programs of the Depart-
8 ment of Health and Human Services for
9 the medicare, medicaid, and CHIP pro-
10 grams under titles XVIII, XIX, and XXI
11 of the Social Security Act; and

12 “(ii) not later than 24 months after
13 the date of the enactment of this title, of
14 a final report containing recommendations.

15 “(B) REPORTS.—The Secretary shall sub-
16 mit the reports described in subparagraph (A)
17 to the Committee on Finance and the Com-
18 mittee on Health, Education, Labor, and Pen-
19 sions of the Senate and the Committee on Ways
20 and Means and the Committee on Commerce of
21 the House of Representatives.

1 **“PART C—GENERAL PROVISIONS**

2 **“SEC. 921. ADVISORY COUNCIL FOR HEALTHCARE RE-**
3 **SEARCH AND QUALITY.**

4 “(a) ESTABLISHMENT.—There is established an advi-
5 sory council to be known as the National Advisory Council
6 for Healthcare Research and Quality.

7 “(b) DUTIES.—

8 “(1) IN GENERAL.—The Advisory Council shall
9 advise the Secretary and the Director with respect
10 to activities proposed or undertaken to carry out the
11 mission of the Agency under section 901(b).

12 “(2) CERTAIN RECOMMENDATIONS.—Activities
13 of the Advisory Council under paragraph (1) shall
14 include making recommendations to the Director
15 regarding—

16 “(A) priorities regarding health care re-
17 search, especially studies related to quality, out-
18 comes, cost and the utilization of, and access
19 to, health care services;

20 “(B) the field of health care research and
21 related disciplines, especially issues related to
22 training needs, and dissemination of informa-
23 tion pertaining to health care quality; and

24 “(C) the appropriate role of the Agency in
25 each of these areas in light of private sector ac-

1 tivity and identification of opportunities for
2 public-private sector partnerships.

3 “(c) MEMBERSHIP.—

4 “(1) IN GENERAL.—The Advisory Council shall,
5 in accordance with this subsection, be composed of
6 appointed members and ex officio members. All
7 members of the Advisory Council shall be voting
8 members other than the individuals designated
9 under paragraph (3)(B) as ex officio members.

10 “(2) APPOINTED MEMBERS.—The Secretary
11 shall appoint to the Advisory Council 21 appro-
12 priately qualified individuals. At least 17 members of
13 the Advisory Council shall be representatives of the
14 public who are not officers or employees of the
15 United States and at least 1 member who shall be
16 a specialist in the rural aspects of 1 or more of the
17 professions or fields described in subparagraphs (A)
18 through (G). The Secretary shall ensure that the ap-
19 pointed members of the Council, as a group, are rep-
20 resentative of professions and entities concerned
21 with, or affected by, activities under this title and
22 under section 1142 of the Social Security Act. Of
23 such members—

24 “(A) three shall be individuals distin-
25 guished in the conduct of research, demonstra-

1 tion projects, and evaluations with respect to
2 health care;

3 “(B) three shall be individuals distin-
4 guished in the fields of health care quality re-
5 search or health care improvement;

6 “(C) three shall be individuals distin-
7 guished in the practice of medicine of which at
8 least one shall be a primary care practitioner;

9 “(D) three shall be individuals distin-
10 guished in the other health professions;

11 “(E) three shall be individuals either rep-
12 resenting the private health care sector, includ-
13 ing health plans, providers, and purchasers or
14 individuals distinguished as administrators of
15 health care delivery systems;

16 “(F) three shall be individuals distin-
17 guished in the fields of health care economics,
18 information systems, law, ethics, business, or
19 public policy; and

20 “(G) three shall be individuals representing
21 the interests of patients and consumers of
22 health care.

23 “(3) EX OFFICIO MEMBERS.—The Secretary
24 shall designate as ex officio members of the Advisory
25 Council—

1 “(A) the Assistant Secretary for Health,
2 the Director of the National Institutes of
3 Health, the Director of the Centers for Disease
4 Control and Prevention, the Administrator of
5 the Health Care Financing Administration, the
6 Commissioner of the Food and Drug Adminis-
7 tration, the Director of the Office of Personnel
8 Management, the Assistant Secretary of De-
9 fense (Health Affairs), and the Under Secretary
10 for Health of the Department of Veterans Af-
11 fairs; and

12 “(B) such other Federal officials as the
13 Secretary may consider appropriate.

14 “(d) TERMS.—

15 “(1) IN GENERAL.—Members of the Advisory
16 Council appointed under subsection (c)(2) shall serve
17 for a term of 3 years.

18 “(2) STAGGERED TERMS.—To ensure the stag-
19 gered rotation of one-third of the members of the
20 Advisory Council each year, the Secretary is author-
21 ized to appoint the initial members of the Advisory
22 Council for terms of 1, 2, or 3 years.

23 “(3) SERVICE BEYOND TERM.—A member of
24 the Council appointed under subsection (c)(2) may

1 continue to serve after the expiration of the term of
2 the members until a successor is appointed.

3 “(e) VACANCIES.—If a member of the Advisory
4 Council appointed under subsection (c)(2) does not serve
5 the full term applicable under subsection (d), the indi-
6 vidual appointed to fill the resulting vacancy shall be ap-
7 pointed for the remainder of the term of the predecessor
8 of the individual.

9 “(f) CHAIR.—The Director shall, from among the
10 members of the Advisory Council appointed under sub-
11 section (c)(2), designate an individual to serve as the chair
12 of the Advisory Council.

13 “(g) MEETINGS.—The Advisory Council shall meet
14 not less than once during each discrete 4-month period
15 and shall otherwise meet at the call of the Director or the
16 chair.

17 “(h) COMPENSATION AND REIMBURSEMENT OF EX-
18 PENSES.—

19 “(1) APPOINTED MEMBERS.—Members of the
20 Advisory Council appointed under subsection (c)(2)
21 shall receive compensation for each day (including
22 travel time) engaged in carrying out the duties of
23 the Advisory Council unless declined by the member.
24 Such compensation may not be in an amount in ex-
25 cess of the daily equivalent of the annual rate of

1 basic pay prescribed for level IV of the Executive
2 Schedule under section 5315 of title 5, United
3 States Code, for each day during which such mem-
4 ber is engaged in the performance of the duties of
5 the Advisory Council.

6 “(2) EX OFFICIO MEMBERS.—Officials des-
7 ignated under subsection (c)(3) as ex officio mem-
8 bers of the Advisory Council may not receive com-
9 pensation for service on the Advisory Council in ad-
10 dition to the compensation otherwise received for du-
11 ties carried out as officers of the United States.

12 “(i) STAFF.—The Director shall provide to the Advi-
13 sory Council such staff, information, and other assistance
14 as may be necessary to carry out the duties of the Council.

15 “(j) DURATION.—Notwithstanding section 14(a) of
16 the Federal Advisory Committee Act, the Advisory Council
17 shall continue in existence until otherwise provided by law.

18 **“SEC. 922. PEER REVIEW WITH RESPECT TO GRANTS AND**

19 **CONTRACTS.**

20 “(a) REQUIREMENT OF REVIEW.—

21 “(1) IN GENERAL.—Appropriate technical and
22 scientific peer review shall be conducted with respect
23 to each application for a grant, cooperative agree-
24 ment, or contract under this title.

1 “(2) REPORTS TO DIRECTOR.—Each peer re-
2 view group to which an application is submitted pur-
3 suant to paragraph (1) shall report its finding and
4 recommendations respecting the application to the
5 Director in such form and in such manner as the
6 Director shall require.

7 “(b) APPROVAL AS PRECONDITION OF AWARDS.—
8 The Director may not approve an application described in
9 subsection (a)(1) unless the application is recommended
10 for approval by a peer review group established under sub-
11 section (c).

12 “(c) ESTABLISHMENT OF PEER REVIEW GROUPS.—

13 “(1) IN GENERAL.—The Director shall establish
14 such technical and scientific peer review groups as
15 may be necessary to carry out this section. Such
16 groups shall be established without regard to the
17 provisions of title 5, United States Code, that govern
18 appointments in the competitive service, and without
19 regard to the provisions of chapter 51, and sub-
20 chapter III of chapter 53, of such title that relate
21 to classification and pay rates under the General
22 Schedule.

23 “(2) MEMBERSHIP.—The members of any peer
24 review group established under this section shall be
25 appointed from among individuals who by virtue of

1 their training or experience are eminently qualified
2 to carry out the duties of such peer review group.
3 Officers and employees of the United States may not
4 constitute more than 25 percent of the membership
5 of any such group. Such officers and employees may
6 not receive compensation for service on such groups
7 in addition to the compensation otherwise received
8 for these duties carried out as such officers and em-
9 ployees.

10 “(3) DURATION.—Notwithstanding section
11 14(a) of the Federal Advisory Committee Act, peer
12 review groups established under this section may
13 continue in existence until otherwise provided by
14 law.

15 “(4) QUALIFICATIONS.—Members of any peer-
16 review group shall, at a minimum, meet the fol-
17 lowing requirements:

18 “(A) Such members shall agree in writing
19 to treat information received, pursuant to their
20 work for the group, as confidential information,
21 except that this subparagraph shall not apply to
22 public records and public information.

23 “(B) Such members shall agree in writing
24 to recuse themselves from participation in the
25 peer-review of specific applications which

1 present a potential personal conflict of interest
2 or appearance of such conflict, including em-
3 ployment in a directly affected organization,
4 stock ownership, or any financial or other ar-
5 rangement that might introduce bias in the
6 process of peer-review.

7 “(d) **AUTHORITY FOR PROCEDURAL ADJUSTMENTS**
8 **IN CERTAIN CASES.**—In the case of applications for finan-
9 cial assistance whose direct costs will not exceed \$100,000,
10 the Director may make appropriate adjustments in the
11 procedures otherwise established by the Director for the
12 conduct of peer review under this section. Such adjust-
13 ments may be made for the purpose of encouraging the
14 entry of individuals into the field of research, for the pur-
15 pose of encouraging clinical practice-oriented or provider-
16 based research, and for such other purposes as the Direc-
17 tor may determine to be appropriate.

18 “(e) **REGULATIONS.**—The Director shall issue regula-
19 tions for the conduct of peer review under this section.

20 **“SEC. 923. CERTAIN PROVISIONS WITH RESPECT TO DEVEL-**
21 **OPMENT, COLLECTION, AND DISSEMINATION**
22 **OF DATA.**

23 “(a) **STANDARDS WITH RESPECT TO UTILITY OF**
24 **DATA.**—

1 “(1) IN GENERAL.—To ensure the utility, accu-
2 racy, and sufficiency of data collected by or for the
3 Agency for the purpose described in section 901(b),
4 the Director shall establish standard methods for de-
5 veloping and collecting such data, taking into
6 consideration—

7 “(A) other Federal health data collection
8 standards; and

9 “(B) the differences between types of
10 health care plans, delivery systems, health care
11 providers, and provider arrangements.

12 “(2) RELATIONSHIP WITH OTHER DEPARTMENT
13 PROGRAMS.—In any case where standards under
14 paragraph (1) may affect the administration of other
15 programs carried out by the Department of Health
16 and Human Services, including the programs under
17 title XVIII, XIX or XXI of the Social Security Act,
18 or may affect health information that is subject to
19 a standard developed under part C of title XI of the
20 Social Security Act, they shall be in the form of rec-
21 ommendations to the Secretary for such program.

22 “(b) STATISTICS AND ANALYSES.—The Director
23 shall—

24 “(1) take appropriate action to ensure that sta-
25 tistics and analyses developed under this title are of

1 high quality, timely, and duly comprehensive, and
2 that the statistics are specific, standardized, and
3 adequately analyzed and indexed; and

4 “(2) publish, make available, and disseminate
5 such statistics and analyses on as wide a basis as is
6 practicable.

7 “(c) **AUTHORITY REGARDING CERTAIN REQUESTS.—**
8 Upon request of a public or private entity, the Director
9 may conduct or support research or analyses otherwise au-
10 thorized by this title pursuant to arrangements under
11 which such entity will pay the cost of the services provided.
12 Amounts received by the Director under such arrange-
13 ments shall be available to the Director for obligation until
14 expended.

15 **“SEC. 924. DISSEMINATION OF INFORMATION.**

16 “(a) **IN GENERAL.—**The Director shall—

17 “(1) without regard to section 501 of title 44,
18 United States Code, promptly publish, make avail-
19 able, and otherwise disseminate, in a form under-
20 standable and on as broad a basis as practicable so
21 as to maximize its use, the results of research, dem-
22 onstration projects, and evaluations conducted or
23 supported under this title;

24 “(2) ensure that information disseminated by
25 the Agency is science-based and objective and under-

1 takes consultation as necessary to assess the appro-
2 priateness and usefulness of the presentation of in-
3 formation that is targeted to specific audiences;

4 “(3) promptly make available to the public data
5 developed in such research, demonstration projects,
6 and evaluations;

7 “(4) provide, in collaboration with the National
8 Library of Medicine where appropriate, indexing, ab-
9 stracting, translating, publishing, and other services
10 leading to a more effective and timely dissemination
11 of information on research, demonstration projects,
12 and evaluations with respect to health care to public
13 and private entities and individuals engaged in the
14 improvement of health care delivery and the general
15 public, and undertake programs to develop new or
16 improved methods for making such information
17 available; and

18 “(5) as appropriate, provide technical assistance
19 to State and local government and health agencies
20 and conduct liaison activities to such agencies to fos-
21 ter dissemination.

22 “(b) PROHIBITION AGAINST RESTRICTIONS.—Except
23 as provided in subsection (c), the Director may not restrict
24 the publication or dissemination of data from, or the re-
25 sults of, projects conducted or supported under this title.

1 “(c) LIMITATION ON USE OF CERTAIN INFORMA-
2 TION.—No information, if an establishment or person sup-
3 plying the information or described in it is identifiable,
4 obtained in the course of activities undertaken or sup-
5 ported under this title may be used for any purpose other
6 than the purpose for which it was supplied unless such
7 establishment or person has consented (as determined
8 under regulations of the Director) to its use for such other
9 purpose. Such information may not be published or re-
10 leased in other form if the person who supplied the infor-
11 mation or who is described in it is identifiable unless such
12 person has consented (as determined under regulations of
13 the Director) to its publication or release in other form.

14 “(d) PENALTY.—Any person who violates subsection
15 (c) shall be subject to a civil monetary penalty of not more
16 than \$10,000 for each such violation involved. Such pen-
17 alty shall be imposed and collected in the same manner
18 as civil money penalties under subsection (a) of section
19 1128A of the Social Security Act are imposed and col-
20 lected.

21 **“SEC. 925. ADDITIONAL PROVISIONS WITH RESPECT TO**
22 **GRANTS AND CONTRACTS.**

23 “(a) FINANCIAL CONFLICTS OF INTEREST.—With
24 respect to projects for which awards of grants, cooperative

1 agreements, or contracts are authorized to be made under
2 this title, the Director shall by regulation define—

3 “(1) the specific circumstances that constitute
4 financial interests in such projects that will, or may
5 be reasonably expected to, create a bias in favor of
6 obtaining results in the projects that are consistent
7 with such interests; and

8 “(2) the actions that will be taken by the Direc-
9 tor in response to any such interests identified by
10 the Director.

11 “(b) REQUIREMENT OF APPLICATION.—The Director
12 may not, with respect to any program under this title au-
13 thorizing the provision of grants, cooperative agreements,
14 or contracts, provide any such financial assistance unless
15 an application for the assistance is submitted to the Sec-
16 retary and the application is in such form, is made in such
17 manner, and contains such agreements, assurances, and
18 information as the Director determines to be necessary to
19 carry out the program involved.

20 “(c) PROVISION OF SUPPLIES AND SERVICES IN
21 LIEU OF FUNDS.—

22 “(1) IN GENERAL.—Upon the request of an en-
23 tity receiving a grant, cooperative agreement, or con-
24 tract under this title, the Secretary may, subject to
25 paragraph (2), provide supplies, equipment, and

1 services for the purpose of aiding the entity in car-
2 rying out the project involved and, for such purpose,
3 may detail to the entity any officer or employee of
4 the Department of Health and Human Services.

5 “(2) CORRESPONDING REDUCTION IN FUNDS.—
6 With respect to a request described in paragraph
7 (1), the Secretary shall reduce the amount of the fi-
8 nancial assistance involved by an amount equal to
9 the costs of detailing personnel and the fair market
10 value of any supplies, equipment, or services pro-
11 vided by the Director. The Secretary shall, for the
12 payment of expenses incurred in complying with
13 such request, expend the amounts withheld.

14 “(d) APPLICABILITY OF CERTAIN PROVISIONS WITH
15 RESPECT TO CONTRACTS.—Contracts may be entered into
16 under this part without regard to sections 3648 and 3709
17 of the Revised Statutes (31 U.S.C. 529 and 41 U.S.C.
18 5).

19 **“SEC. 926. CERTAIN ADMINISTRATIVE AUTHORITIES.**

20 “(a) DEPUTY DIRECTOR AND OTHER OFFICERS AND
21 EMPLOYEES.—

22 “(1) DEPUTY DIRECTOR.—The Director may
23 appoint a deputy director for the Agency.

24 “(2) OTHER OFFICERS AND EMPLOYEES.—The
25 Director may appoint and fix the compensation of

1 such officers and employees as may be necessary to
2 carry out this title. Except as otherwise provided by
3 law, such officers and employees shall be appointed
4 in accordance with the civil service laws and their
5 compensation fixed in accordance with title 5,
6 United States Code.

7 “(b) FACILITIES.—The Secretary, in carrying out
8 this title—

9 “(1) may acquire, without regard to the Act of
10 March 3, 1877 (40 U.S.C. 34), by lease or otherwise
11 through the Administrator of General Services,
12 buildings or portions of buildings in the District of
13 Columbia or communities located adjacent to the
14 District of Columbia for use for a period not to ex-
15 ceed 10 years; and

16 “(2) may acquire, construct, improve, repair,
17 operate, and maintain laboratory, research, and
18 other necessary facilities and equipment, and such
19 other real or personal property (including patents)
20 as the Secretary deems necessary.

21 “(c) PROVISION OF FINANCIAL ASSISTANCE.—The
22 Director, in carrying out this title, may make grants to
23 public and nonprofit entities and individuals, and may
24 enter into cooperative agreements or contracts with public
25 and private entities and individuals.

1 “(d) UTILIZATION OF CERTAIN PERSONNEL AND RE-
2 SOURCES.—

3 “(1) DEPARTMENT OF HEALTH AND HUMAN
4 SERVICES.—The Director, in carrying out this title,
5 may utilize personnel and equipment, facilities, and
6 other physical resources of the Department of
7 Health and Human Services, permit appropriate (as
8 determined by the Secretary) entities and individuals
9 to utilize the physical resources of such Department,
10 and provide technical assistance and advice.

11 “(2) OTHER AGENCIES.—The Director, in car-
12 rying out this title, may use, with their consent, the
13 services, equipment, personnel, information, and fa-
14 cilities of other Federal, State, or local public agen-
15 cies, or of any foreign government, with or without
16 reimbursement of such agencies.

17 “(e) CONSULTANTS.—The Secretary, in carrying out
18 this title, may secure, from time to time and for such peri-
19 ods as the Director deems advisable but in accordance
20 with section 3109 of title 5, United States Code, the as-
21 sistance and advice of consultants from the United States
22 or abroad.

23 “(f) EXPERTS.—

24 “(1) IN GENERAL.—The Secretary may, in car-
25 rying out this title, obtain the services of not more

1 than 50 experts or consultants who have appropriate
2 scientific or professional qualifications. Such experts
3 or consultants shall be obtained in accordance with
4 section 3109 of title 5, United States Code, except
5 that the limitation in such section on the duration
6 of service shall not apply.

7 “(2) TRAVEL EXPENSES.—

8 “(A) IN GENERAL.—Experts and consult-
9 ants whose services are obtained under para-
10 graph (1) shall be paid or reimbursed for their
11 expenses associated with traveling to and from
12 their assignment location in accordance with
13 sections 5724, 5724a(a), 5724a(c), and 5726(c)
14 of title 5, United States Code.

15 “(B) LIMITATION.—Expenses specified in
16 subparagraph (A) may not be allowed in con-
17 nection with the assignment of an expert or
18 consultant whose services are obtained under
19 paragraph (1) unless and until the expert
20 agrees in writing to complete the entire period
21 of assignment, or 1 year, whichever is shorter,
22 unless separated or reassigned for reasons that
23 are beyond the control of the expert or consult-
24 ant and that are acceptable to the Secretary. If
25 the expert or consultant violates the agreement,

1 the money spent by the United States for the
2 expenses specified in subparagraph (A) is recov-
3 erable from the expert or consultant as a statu-
4 tory obligation owed to the United States. The
5 Secretary may waive in whole or in part a right
6 of recovery under this subparagraph.

7 “(g) VOLUNTARY AND UNCOMPENSATED SERV-
8 ICES.—The Director, in carrying out this title, may accept
9 voluntary and uncompensated services.

10 **“SEC. 927. FUNDING.**

11 “(a) INTENT.—To ensure that the United States in-
12 vestment in biomedical research is rapidly translated into
13 improvements in the quality of patient care, there must
14 be a corresponding investment in research on the most ef-
15 fective clinical and organizational strategies for use of
16 these findings in daily practice. The authorization levels
17 in subsections (b) and (c) provide for a proportionate in-
18 crease in health care research as the United States invest-
19 ment in biomedical research increases.

20 “(b) AUTHORIZATION OF APPROPRIATIONS.—For the
21 purpose of carrying out this title, there are authorized to
22 be appropriated \$250,000,000 for fiscal year 2000, and
23 such sums as may be necessary for each of the fiscal years
24 2001 through 2005.

1 “(c) EVALUATIONS.—In addition to amounts avail-
2 able pursuant to subsection (b) for carrying out this title,
3 there shall be made available for such purpose, from the
4 amounts made available pursuant to section 241 (relating
5 to evaluations), an amount equal to 40 percent of the max-
6 imum amount authorized in such section 241 to be made
7 available for a fiscal year.

8 **“SEC. 928. DEFINITIONS.**

9 “In this title:

10 “(1) ADVISORY COUNCIL.—The term ‘Advisory
11 Council’ means the National Advisory Council on
12 Healthcare Research and Quality established under
13 section 921.

14 “(2) AGENCY.—The term ‘Agency’ means the
15 Agency for Healthcare Research and Quality.

16 “(3) DIRECTOR.—The term ‘Director’ means
17 the Director of the Agency for Healthcare Research
18 and Quality.”.

19 (b) RULES OF CONSTRUCTION.—

20 (1) IN GENERAL.—Section 901(a) of the Public
21 Health Service Act (as added by subsection (a) of
22 this section) applies as a redesignation of the agency
23 that carried out title IX of such Act on the day be-
24 fore the date of the enactment of this Act, and not
25 as the termination of such agency and the establish-

1 ment of a different agency. The amendment made
2 by subsection (a) of this section does not affect ap-
3 pointments of the personnel of such agency who
4 were employed at the agency on the day before such
5 date, including the appointments of members of ad-
6 visory councils or study sections of the agency who
7 were serving on the day before such date of enact-
8 ment.

9 (2) REFERENCES.—Any reference in law to the
10 Agency for Health Care Policy and Research is
11 deemed to be a reference to the Agency for
12 Healthcare Research and Quality, and any reference
13 in law to the Administrator for Health Care Policy
14 and Research is deemed to be a reference to the Di-
15 rector of the Agency for Healthcare Research and
16 Quality.

17 **SEC. 3. GRANTS REGARDING UTILIZATION OF PREVENTIVE**
18 **HEALTH SERVICES.**

19 Subpart I of part D of title III of the Public Health
20 Service Act (42 U.S.C. 254b et seq.) is amended by adding
21 at the end the following section:

1 **“SEC. 330D. CENTERS FOR STRATEGIES ON FACILITATING**
2 **UTILIZATION OF PREVENTIVE HEALTH SERV-**
3 **ICES AMONG VARIOUS POPULATIONS.**

4 “(a) IN GENERAL.—The Secretary, acting through
5 the appropriate agencies of the Public Health Service,
6 shall make grants to public or nonprofit private entities
7 for the establishment and operation of regional centers
8 whose purpose is to develop, evaluate, and disseminate ef-
9 fective strategies, which utilize quality management meas-
10 ures, to assist public and private health care programs and
11 providers in the appropriate utilization of preventive
12 health care services by specific populations.

13 “(b) RESEARCH AND TRAINING.—The activities car-
14 ried out by a center under subsection (a) may include es-
15 tablishing programs of research and training with respect
16 to the purpose described in such subsection, including the
17 development of curricula for training individuals in imple-
18 menting the strategies developed under such subsection.

19 “(c) PRIORITY REGARDING INFANTS AND CHIL-
20 DREN.—In carrying out the purpose described in sub-
21 section (a), the Secretary shall give priority to various
22 populations of infants, young children, and their mothers.

23 “(d) AUTHORIZATION OF APPROPRIATIONS.—For the
24 purpose of carrying out this section, there are authorized
25 to be appropriated such sums as may be necessary for
26 each of the fiscal years 2000 through 2004.”.

1 **SEC. 4. PROGRAM OF PAYMENTS TO CHILDREN'S HOS-**
 2 **PITALS THAT OPERATE GRADUATE MEDICAL**
 3 **EDUCATION PROGRAMS.**

4 Part D of title III of the Public Health Service Act
 5 (42 U.S.C. 254b et seq.) is amended by adding at the end
 6 the following subpart:

7 “Subpart IX—Support of Graduate Medical Education
 8 Programs in Children’s Hospitals

9 **“SEC. 340E. PROGRAM OF PAYMENTS TO CHILDREN’S HOS-**
 10 **PITALS THAT OPERATE GRADUATE MEDICAL**
 11 **EDUCATION PROGRAMS.**

12 “(a) PAYMENTS.—The Secretary shall make two pay-
 13 ments under this section to each children’s hospital for
 14 each of fiscal years 2000 and 2001, one for the direct ex-
 15 penses and the other for indirect expenses associated with
 16 operating approved graduate medical residency training
 17 programs.

18 “(b) AMOUNT OF PAYMENTS.—

19 “(1) IN GENERAL.—Subject to paragraph (2),
 20 the amounts payable under this section to a chil-
 21 dren’s hospital for an approved graduate medical
 22 residency training program for a fiscal year are each
 23 of the following amounts:

24 “(A) DIRECT EXPENSE AMOUNT.—The
 25 amount determined under subsection (c) for di-
 26 rect expenses associated with operating ap-

1 proved graduate medical residency training pro-
2 grams.

3 “(B) INDIRECT EXPENSE AMOUNT.—The
4 amount determined under subsection (d) for in-
5 direct expenses associated with the treatment of
6 more severely ill patients and the additional
7 costs relating to teaching residents in such pro-
8 grams.

9 “(2) CAPPED AMOUNT.—

10 “(A) IN GENERAL.—The total of the pay-
11 ments made to children’s hospitals under para-
12 graph (1)(A) or paragraph (1)(B) in a fiscal
13 year shall not exceed the funds appropriated
14 under paragraph (1) or (2), respectively, of sub-
15 section (f) for such payments for that fiscal
16 year.

17 “(B) PRO RATA REDUCTIONS OF PAY-
18 MENTS FOR DIRECT EXPENSES.—If the Sec-
19 retary determines that the amount of funds ap-
20 propriated under subsection (f)(1) for a fiscal
21 year is insufficient to provide the total amount
22 of payments otherwise due for such periods
23 under paragraph (1)(A), the Secretary shall re-
24 duce the amounts so payable on a pro rata
25 basis to reflect such shortfall.

1 “(c) AMOUNT OF PAYMENT FOR DIRECT GRADUATE
2 MEDICAL EDUCATION.—

3 “(1) IN GENERAL.—The amount determined
4 under this subsection for payments to a children’s
5 hospital for direct graduate expenses relating to ap-
6 proved graduate medical residency training pro-
7 grams for a fiscal year is equal to the product of—

8 “(A) the updated per resident amount for
9 direct graduate medical education, as deter-
10 mined under paragraph (2); and

11 “(B) the average number of full-time
12 equivalent residents in the hospital’s graduate
13 approved medical residency training programs
14 (as determined under section 1886(h)(4) of the
15 Social Security Act during the fiscal year.

16 “(2) UPDATED PER RESIDENT AMOUNT FOR DI-
17 RECT GRADUATE MEDICAL EDUCATION.—The up-
18 dated per resident amount for direct graduate med-
19 ical education for a hospital for a fiscal year is an
20 amount determined as follows:

21 “(A) DETERMINATION OF HOSPITAL SIN-
22 GLE PER RESIDENT AMOUNT.—The Secretary
23 shall compute for each hospital operating an
24 approved graduate medical education program
25 (regardless of whether or not it is a children’s

1 hospital) a single per resident amount equal to
2 the average (weighted by number of full-time
3 equivalent residents) of the primary care per
4 resident amount and the non-primary care per
5 resident amount computed under section
6 1886(h)(2) of the Social Security Act for cost
7 reporting periods ending during fiscal year
8 1997.

9 “(B) DETERMINATION OF WAGE AND NON-
10 WAGE-RELATED PROPORTION OF THE SINGLE
11 PER RESIDENT AMOUNT.—The Secretary shall
12 estimate the average proportion of the single
13 per resident amounts computed under subpara-
14 graph (A) that is attributable to wages and
15 wage-related costs.

16 “(C) STANDARDIZING PER RESIDENT
17 AMOUNTS.—The Secretary shall establish a
18 standardized per resident amount for each such
19 hospital—

20 “(i) by dividing the single per resident
21 amount computed under subparagraph (A)
22 into a wage-related portion and a non-
23 wage-related portion by applying the pro-
24 portion determined under subparagraph
25 (B);

1 “(ii) by dividing the wage-related por-
2 tion by the factor applied under section
3 1886(d)(3)(E) of the Social Security Act
4 for discharges occurring during fiscal year
5 1999 for the hospital’s area; and

6 “(iii) by adding the non-wage-related
7 portion to the amount computed under
8 clause (ii).

9 “(D) DETERMINATION OF NATIONAL AV-
10 ERAGE.—The Secretary shall compute a na-
11 tional average per resident amount equal to the
12 average of the standardized per resident
13 amounts computed under subparagraph (C) for
14 such hospitals, with the amount for each hos-
15 pital weighted by the average number of full-
16 time equivalent residents at such hospital.

17 “(E) APPLICATION TO INDIVIDUAL HOS-
18 PITALS.—The Secretary shall compute for each
19 such hospital that is a children’s hospital a per
20 resident amount—

21 “(i) by dividing the national average
22 per resident amount computed under sub-
23 paragraph (D) into a wage-related portion
24 and a non-wage-related portion by applying

1 the proportion determined under subpara-
2 graph (B);

3 “(ii) by multiplying the wage-related
4 portion by the factor described in subpara-
5 graph (C)(ii) for the hospital’s area; and

6 “(iii) by adding the non-wage-related
7 portion to the amount computed under
8 clause (ii).

9 “(F) UPDATING RATE.—The Secretary
10 shall update such per resident amount for each
11 such children’s hospital by the estimated per-
12 centage increase in the consumer price index for
13 all urban consumers during the period begin-
14 ning October 1997 and ending with the mid-
15 point of the hospital’s cost reporting period that
16 begins during fiscal year 2000.

17 “(d) AMOUNT OF PAYMENT FOR INDIRECT MEDICAL
18 EDUCATION.—

19 “(1) IN GENERAL.—The amount determined
20 under this subsection for payments to a children’s
21 hospital for indirect expenses associated with the
22 treatment of more severely ill patients and the addi-
23 tional costs related to the teaching of residents for
24 a fiscal year is equal to an amount determined ap-
25 propriate by the Secretary.

1 “(2) FACTORS.—In determining the amount
2 under paragraph (1), the Secretary shall—

3 “(A) take into account variations in case
4 mix among children’s hospitals and the number
5 of full-time equivalent residents in the hospitals’
6 approved graduate medical residency training
7 programs; and

8 “(B) assure that the aggregate of the pay-
9 ments for indirect expenses associated with the
10 treatment of more severely ill patients and the
11 additional costs related to the teaching of resi-
12 dents under this section in a fiscal year are
13 equal to the amount appropriated for such ex-
14 penses for the fiscal year involved under sub-
15 section (f)(2).

16 “(e) MAKING OF PAYMENTS.—

17 “(1) INTERIM PAYMENTS.—The Secretary shall
18 determine, before the beginning of each fiscal year
19 involved for which payments may be made for a hos-
20 pital under this section, the amounts of the pay-
21 ments for direct graduate medical education and in-
22 direct medical education for such fiscal year and
23 shall (subject to paragraph (2)) make the payments
24 of such amounts in 26 equal interim installments
25 during such period.

1 “(2) WITHHOLDING.—The Secretary shall with-
2 hold up to 25 percent from each interim installment
3 for direct graduate medical education paid under
4 paragraph (1).

5 “(3) RECONCILIATION.—At the end of each fis-
6 cal year for which payments may be made under this
7 section, the hospital shall submit to the Secretary
8 such information as the Secretary determines to be
9 necessary to determine the percent (if any) of the
10 total amount withheld under paragraph (2) that is
11 due under this section for the hospital for the fiscal
12 year. Based on such determination, the Secretary
13 shall recoup any overpayments made, or pay any
14 balance due. The amount so determined shall be
15 considered a final intermediary determination for
16 purposes of applying section 1878 of the Social Se-
17 curity Act and shall be subject to review under that
18 section in the same manner as the amount of pay-
19 ment under section 1886(d) of such Act is subject
20 to review under such section.

21 “(f) AUTHORIZATION OF APPROPRIATIONS.—

22 “(1) DIRECT GRADUATE MEDICAL EDU-
23 CATION.—

24 “(A) IN GENERAL.—There are hereby au-
25 thorized to be appropriated, out of any money

1 in the Treasury not otherwise appropriated, for
2 payments under subsection (b)(1)(A)—

3 “(i) for fiscal year 2000, \$90,000,000;

4 and

5 “(ii) for fiscal year 2001,
6 \$95,000,000.

7 “(B) CARRYOVER OF EXCESS.—The
8 amounts appropriated under subparagraph (A)
9 for fiscal year 2000 shall remain available for
10 obligation through the end of fiscal year 2001.

11 “(2) INDIRECT MEDICAL EDUCATION.—There
12 are hereby authorized to be appropriated, out of any
13 money in the Treasury not otherwise appropriated,
14 for payments under subsection (b)(1)(A)—

15 “(A) for fiscal year 2000, \$190,000,000;

16 and

17 “(B) for fiscal year 2001, \$190,000,000.

18 “(g) DEFINITIONS.—In this section:

19 “(1) APPROVED GRADUATE MEDICAL RESI-
20 DENCY TRAINING PROGRAM.—The term ‘approved
21 graduate medical residency training program’ has
22 the meaning given the term ‘approved medical resi-
23 dency training program’ in section 1886(h)(5)(A) of
24 the Social Security Act.

1 “(2) CHILDREN’S HOSPITAL.—The term ‘chil-
2 dren’s hospital’ means a hospital described in section
3 1886(d)(1)(B)(iii) of the Social Security Act.

4 “(3) DIRECT GRADUATE MEDICAL EDUCATION
5 COSTS.—The term ‘direct graduate medical edu-
6 cation costs’ has the meaning given such term in
7 section 1886(h)(5)(C) of the Social Security Act.”.

8 **SEC. 5. STUDY REGARDING SHORTAGES OF LICENSED**
9 **PHARMACISTS.**

10 (a) IN GENERAL.—The Secretary of Health and
11 Human Services (in this section referred to as the “Sec-
12 retary”), acting through the appropriate agencies of the
13 Public Health Service, shall conduct a study to determine
14 whether and to what extent there is a shortage of licensed
15 pharmacists. In carrying out the study, the Secretary shall
16 seek the comments of appropriate public and private enti-
17 ties regarding any such shortage.

18 (b) REPORT TO CONGRESS.—Not later than 1 year
19 after the date of the enactment of this Act, the Secretary
20 shall complete the study under subsection (a) and submit
21 to the Congress a report that describes the findings made
22 through the study and that contains a summary of the
23 comments received by the Secretary pursuant to such sub-
24 section.

1 **SEC. 6. REPORT ON TELEMEDICINE.**

2 Not later than January 10, 2001, the Secretary of
3 Health and Human Services shall submit to the Congress
4 a report that—

5 (1) identifies any factors that inhibit the expan-
6 sion and accessibility of telemedicine services, includ-
7 ing factors relating to telemedicine networks;

8 (2) identifies any factors that, in addition to
9 geographical isolation, should be used to determine
10 which patients need or require access to telemedicine
11 care;

12 (3) determines the extent to which—

13 (A) patients receiving telemedicine service
14 have benefited from the services, and are satis-
15 fied with the treatment received pursuant to the
16 services; and

17 (B) the medical outcomes for such patients
18 would have differed if telemedicine services had
19 not been available to the patients;

20 (4) determines the extent to which physicians
21 involved with telemedicine services have been satis-
22 fied with the medical aspects of the services;

23 (5) determines the extent to which primary care
24 physicians are enhancing their medical knowledge
25 and experience through the interaction with special-
26 ists provided by telemedicine consultations; and

1 (6) identifies legal and medical issues relating
2 to State licensing of health professionals that are
3 presented by telemedicine services, and provides any
4 recommendations of the Secretary for responding to
5 such issues.

6 **SEC. 7. CERTAIN TECHNOLOGIES AND PRACTICES REGARD-**
7 **ING SURVIVAL RATES FOR CARDIAC ARREST.**

8 The Secretary of Health and Human Services shall,
9 in consultation with the Administrator of the General
10 Services Administration and other appropriate public and
11 private entities, develop recommendations regarding the
12 placement of automatic external defibrillators in Federal
13 buildings as a means of improving the survival rates of
14 individuals who experience cardiac arrest in such build-
15 ings, including recommendations on training, mainte-
16 nance, and medical oversight, and on coordinating with
17 the system for emergency medical services.

 Passed the Senate November 3, 1999.

 Attest:

Secretary.

106TH CONGRESS
1ST SESSION

S. 580

AN ACT

To amend title IX of the Public Health Service Act to revise and extend the Agency for Healthcare Policy and Research.