

109TH CONGRESS
1ST SESSION

H. R. 4142

To amend title XIX of the Social Security Act to provide health information technology grants to States and transform the Medicaid Program by reducing the number of medical and medication errors, unnecessary hospitalizations, infections and inappropriate care that exists within the current system and save thousands of lives and tens of billions of dollars a year.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 25, 2005

Mr. MURPHY introduced the following bill; which was referred to the
Committee on Energy and Commerce

A BILL

To amend title XIX of the Social Security Act to provide health information technology grants to States and transform the Medicaid Program by reducing the number of medical and medication errors, unnecessary hospitalizations, infections and inappropriate care that exists within the current system and save thousands of lives and tens of billions of dollars a year.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Medicaid Trans-
3 formation Grant Act of 2005”.

4 **SEC. 2. MEDICAID TRANSFORMATION GRANTS.**

5 (a) IN GENERAL.—Section 1903 of the Social Secu-
6 rity Act (42 U.S.C. 1396b) is amended by adding at the
7 end the following new subsection:

8 “(x) MEDICAID TRANSFORMATION PAYMENTS.—

9 “(1) IN GENERAL.—In addition to the pay-
10 ments provided under subsection (a), subject to
11 paragraph (4), the Secretary shall provide for pay-
12 ments under subsection (a) to States for the adop-
13 tion of innovative methods to improve the effective-
14 ness and efficiency in providing medical assistance
15 under this title.

16 “(2) PERMISSIBLE USES OF FUNDS.—The fol-
17 lowing are examples of innovative methods for which
18 funds provided under this subsection may be used:

19 “(A) Methods for reducing patient error
20 rates through the implementation and use of
21 electronic health records, electronic clinical deci-
22 sion support tools, or e-prescribing programs.

23 “(B) Methods for improving rates of collec-
24 tion from estates of amounts owed under this
25 title.

1 “(C) Methods for reducing waste, fraud,
2 and abuse under the program under this title,
3 such as reducing improper payment rates as
4 measured by annual payment error rate meas-
5 urement (PERM) project rates.

6 “(D) Use of medication therapy manage-
7 ment.

8 “(3) APPLICATION; TERMS AND CONDITIONS.—

9 “(A) IN GENERAL.—No payments shall be
10 made to a State under this subsection unless
11 the State applied to the Secretary for such pay-
12 ments in a form, manner, and time specified by
13 the Secretary.

14 “(B) TERMS AND CONDITIONS.—Such pay-
15 ments are made under such terms and condi-
16 tions consistent with this subsection as the Sec-
17 retary prescribes.

18 “(C) ANNUAL REPORT.—Payment to a
19 State under this subsection is conditioned on
20 the State submitting to the Secretary an annual
21 report on the programs supported by such pay-
22 ment. Such report shall include information
23 on—

24 “(i) the specific uses of such payment;

1 “(ii) an assessment of quality im-
2 provements and clinical outcomes under
3 such programs; and

4 “(iii) estimates of cost savings result-
5 ing from such programs.

6 “(4) FUNDING.—

7 “(A) LIMITATION ON FUNDS.—The total
8 amount of payments under this subsection shall
9 be equal to, and shall not exceed—

10 “(i) \$50,000,000 for fiscal year 2007;

11 and

12 “(ii) \$50,000,000 for fiscal year 2008.

13 This subsection constitutes budget authority in
14 advance of appropriations Acts and represents
15 the obligation of the Secretary to provide for
16 the payment of amounts provided under this
17 subsection.

18 “(B) ALLOCATION OF FUNDS.—The Sec-
19 retary shall specify a method for allocating the
20 funds made available under this subsection
21 among States. Such method shall provide pref-
22 erence for States that design programs that
23 target health providers that treat significant
24 numbers of medicaid beneficiaries.

1 “(C) FORM AND MANNER OF PAYMENT.—
2 Payment to a State under this subsection shall
3 be made in the same manner as other payments
4 under section 1903(a). There is no requirement
5 for State matching funds to receive payments
6 under this subsection.”.

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