

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2359

To amend title XVIII of the Social Security Act to establish a Hospital Quality Report Card Initiative under the Medicare program to assess and report on health care quality in hospitals.

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## IN THE SENATE OF THE UNITED STATES

MARCH 2, 2006

Mr. OBAMA introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to establish a Hospital Quality Report Card Initiative under the Medicare program to assess and report on health care quality in hospitals.

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 “Hospital Quality Re-  
5        port Card Act of 2006”.

6        **SEC. 2. PURPOSE.**

7        The purpose of this Act is to expand hospital quality  
8        reporting by establishing the Hospital Quality Report

1 Card Initiative under the Medicare program to ensure that  
2 hospital quality measures data are readily available and  
3 accessible in order to—

4 (1) assist patients and consumers in making de-  
5 cisions about where to get health care;

6 (2) assist purchasers and insurers in making  
7 decisions that determine where employees, sub-  
8 scribers, members, or participants are able to go for  
9 their health care;

10 (3) assist health care providers in identifying  
11 opportunities for quality improvement and cost con-  
12 tainment; and

13 (4) enhance the understanding of policy makers  
14 and public officials of health care issues, raise public  
15 awareness of hospital quality issues, and to help con-  
16 stituents of such policy makers and officials identify  
17 quality health care options.

18 **SEC. 3. HOSPITAL QUALITY REPORT CARD INITIATIVE.**

19 (a) IN GENERAL.—Title XVIII of the Social Security  
20 Act (42 U.S.C. 1395 et seq.) is amended by adding at  
21 the end the following new section:

22 **“SEC. 1898. HOSPITAL QUALITY REPORT CARD INITIATIVE.**

23 “(a) IN GENERAL.—Not later than 18 months after  
24 the date of the enactment of the Hospital Quality Report  
25 Card Act of 2006, the Secretary, acting through the Ad-

1 administrator of the Centers for Medicare & Medicaid Serv-  
 2 ices (in this section referred to as the ‘Administrator’) and  
 3 in consultation with the Director of the Agency for  
 4 Healthcare Research and Quality, shall, directly or  
 5 through contracts with States, establish and implement a  
 6 Hospital Quality Report Card Initiative (in this section re-  
 7 ferred to as the ‘Initiative’) to report on health care qual-  
 8 ity in subsection (d) hospitals.

9 “(b) SUBSECTION (d) HOSPITAL.—For purposes of  
 10 this section, the term ‘subsection (d) hospital’ has the  
 11 meaning given such term in section 1886(d)(1)(B).

12 “(c) REQUIREMENTS OF INITIATIVE.—

13 “(1) QUALITY MEASUREMENT REPORTS FOR  
 14 HOSPITALS.—

15 “(A) QUALITY MEASURES.—Not less than  
 16 2 times each year, the Secretary shall publish  
 17 reports on hospital quality. Such reports shall  
 18 include quality measures data submitted under  
 19 section 1886(b)(3)(B)(viii), and other data as  
 20 feasible, that allow for an assessment of health  
 21 care—

22 “(i) effectiveness;

23 “(ii) safety;

24 “(iii) timeliness;

25 “(iv) efficiency;

1 “(v) patient-centeredness; and

2 “(vi) equity.

3 “(B) REPORT CARD FEATURES.—In col-  
4 lecting and reporting data as provided for  
5 under subparagraph (A), the Secretary shall in-  
6 clude hospital information, as possible, relating  
7 to—

8 “(i) staffing levels of nurses and other  
9 health professionals, as appropriate;

10 “(ii) rates of nosocomial infections;

11 “(iii) the volume of various procedures  
12 performed;

13 “(iv) the availability of interpreter  
14 services on-site;

15 “(v) the accreditation of hospitals, as  
16 well as sanctions and other violations  
17 found by accreditation or State licensing  
18 boards;

19 “(vi) the quality of care for various  
20 patient populations, including pediatric  
21 populations and racial and ethnic minority  
22 populations;

23 “(vii) the availability of emergency  
24 rooms, intensive care units, obstetrical  
25 units, and burn units;

1           “(viii) the quality of care in various  
2           hospital settings, including inpatient, out-  
3           patient, emergency, maternity, and inten-  
4           sive care unit settings;

5           “(ix) the use of health information  
6           technology, telemedicine, and electronic  
7           medical records;

8           “(x) ongoing patient safety initiatives;  
9           and

10           “(xi) other measures determined ap-  
11           propriate by the Secretary.

12           “(C) TAILORING OF HOSPITAL QUALITY  
13           REPORTS.—The Director of the Agency for  
14           Healthcare Research and Quality may modify  
15           and publish hospital reports to include quality  
16           measures for diseases and health conditions of  
17           particular relevance to certain regions, States,  
18           or local areas.

19           “(D) RISK ADJUSTMENT.—

20           “(i) IN GENERAL.—In reporting data  
21           as provided for under subparagraph (A),  
22           the Secretary may risk adjust quality  
23           measures to account for differences relat-  
24           ing to—

1                   “(I) the characteristics of the re-  
2                   porting hospital, such as licensed bed  
3                   size, geography, teaching hospital sta-  
4                   tus, and profit status; and

5                   “(II) patient characteristics, such  
6                   as health status, severity of illness, in-  
7                   surance status, and socioeconomic sta-  
8                   tus.

9                   “(ii) AVAILABILITY OF UNADJUSTED  
10                  DATA.—If the Secretary reports data  
11                  under subparagraph (A) using risk-ad-  
12                  justed quality measures, the Secretary  
13                  shall establish procedures for making the  
14                  unadjusted data available to the public in  
15                  a manner determined appropriate by the  
16                  Secretary.

17                  “(E) COSTS.—The Secretary shall—

18                         “(i) compile data relating to the aver-  
19                         age hospital cost for ICD-9 conditions for  
20                         which quality measures data are collected;  
21                         and

22                         “(ii) report such information in a  
23                         manner that allows cost comparisons be-  
24                         tween or among subsection (d) hospitals.

1           “(F) VERIFICATION.—Under the Initiative,  
2           the Secretary may verify data reported under  
3           this paragraph to ensure accuracy and validity.

4           “(G) DISCLOSURE.—The Secretary shall  
5           disclose the entire methodology for the report-  
6           ing of data under this paragraph to all relevant  
7           organizations and all subsection (d) hospitals  
8           that are the subject of any such information  
9           that is to be made available to the public prior  
10          to the public disclosure of such information.

11          “(H) PUBLIC INPUT.—The Secretary shall  
12          provide an opportunity for public review and  
13          comment with respect to the quality measures  
14          to be reported for subsection (d) hospitals  
15          under this section for at least 60 days prior to  
16          the finalization by the Secretary of the quality  
17          measures to be used for such hospitals.

18          “(I) AVAILABILITY OF REPORTS AND FIND-  
19          INGS.—

20                 “(i) ELECTRONIC AVAILABILITY.—  
21                 The Secretary shall ensure that reports are  
22                 made available under this section in an  
23                 electronic format, in an understandable  
24                 manner with respect to various populations  
25                 (including those with low functional health

1           literacy), and in a manner that allows  
2           health care quality comparisons to be made  
3           between local hospitals.

4           “(ii) FINDINGS.—The Secretary shall  
5           establish procedures for making report  
6           findings available to the public, upon re-  
7           quest, in a non-electronic format, such as  
8           through the toll-free telephone number 1–  
9           800–MEDICARE.

10          “(J) IDENTIFICATION OF METHOD-  
11          OLOGY.—The analytic methodologies and limi-  
12          tations on data sources utilized by the Sec-  
13          retary to develop and disseminate the compara-  
14          tive data under this section shall be identified  
15          and acknowledged as part of the dissemination  
16          of such data, and include the appropriate and  
17          inappropriate uses of such data.

18          “(K) ADVERSE SELECTION OF PA-  
19          TIENTS.—On at least an annual basis, the Sec-  
20          retary shall compare quality measures data sub-  
21          mitted by each subsection (d) hospital under  
22          section 1886(b)(3)(B)(viii) with data submitted  
23          in the prior year or years by the same hospital  
24          in order to identify and report actions that  
25          would lead to false or artificial improvements in

1 the hospital's quality measurements, includ-  
2 ing—

3 “(i) adverse selection against patients  
4 with severe illness or other factors that  
5 predispose patients to poor health out-  
6 comes; and

7 “(ii) provision of health care that does  
8 not meet established recommendations or  
9 accepted standards for care.

10 “(2) DATA SAFEGUARDS.—

11 “(A) UNAUTHORIZED USE AND DISCLO-  
12 SURE.—The Secretary shall develop and imple-  
13 ment effective safeguards to protect against the  
14 unauthorized use or disclosure of hospital data  
15 that is reported under this section.

16 “(B) INACCURATE INFORMATION.—The  
17 Secretary shall develop and implement effective  
18 safeguards to protect against the dissemination  
19 of inconsistent, incomplete, invalid, inaccurate,  
20 or subjective hospital data.

21 “(C) IDENTIFIABLE DATA.—The Secretary  
22 shall ensure that identifiable patient data shall  
23 not be released to the public.

24 “(d) GRANTS AND TECHNICAL ASSISTANCE.—The  
25 Secretary may award grants to national or State organiza-

1 tions, partnerships, or other entities that may assist with  
2 hospital quality improvement.

3 “(e) HOSPITAL QUALITY ADVISORY COMMITTEE.—

4 “(1) ESTABLISHMENT.—The Administrator, in  
5 consultation with the Director of the Agency for  
6 Healthcare Research and Quality, shall establish the  
7 Hospital Quality Advisory Committee (in this sub-  
8 section referred to as the ‘Advisory Committee’) to  
9 provide advice to the Administrator on the submis-  
10 sion, collection, and reporting of quality measures  
11 data. The Administrator shall serve as the chair-  
12 person of the Advisory Committee.

13 “(2) MEMBERSHIP.—The Advisory Committee  
14 shall include representatives of the following (except  
15 with respect to subparagraphs (A) through (D), to  
16 be appointed by the Administrator):

17 “(A) The Agency for Healthcare Research  
18 and Quality.

19 “(B) The Health Resources and Services  
20 Administration.

21 “(C) The Department of Veterans Affairs.

22 “(D) The Centers for Disease Control and  
23 Prevention.

24 “(E) National membership organizations  
25 that focus on health care quality improvement.

1           “(F) Public and private hospitals.

2           “(G) Physicians, nurses, and other health  
3 professionals.

4           “(H) Patients and patient advocates.

5           “(I) Health insurance purchasers and  
6 other payers.

7           “(J) Health researchers, policymakers, and  
8 other experts in the field of health care quality.

9           “(K) Health care accreditation entities.

10          “(L) Other agencies and groups as deter-  
11 mined appropriate by the Administrator.

12          “(3) DUTIES.—The Advisory Committee shall  
13 review and provide guidance and recommendations  
14 to the Administrator on—

15           “(A) the establishment of the Initiative;

16           “(B) integration and coordination of Fed-  
17 eral quality measures data submission require-  
18 ments, to avoid needless duplication and ineffi-  
19 ciency;

20           “(C) legal and regulatory barriers that  
21 may hinder quality measures data collection  
22 and reporting; and

23           “(D) necessary technical and financial as-  
24 sistance to encourage quality measures data col-  
25 lection and reporting;

1           “(4) STAFF AND RESOURCES.—The Adminis-  
 2           trator shall provide the Advisory Committee with ap-  
 3           propriate staff and resources for the functioning of  
 4           the Advisory Committee.

5           “(5) DURATION.—The Advisory Committee  
 6           shall terminate at the discretion of the Adminis-  
 7           trator, but in no event later than 5 years after the  
 8           date of enactment of this section.

9           “(f) AUTHORIZATION OF APPROPRIATIONS.—There  
 10          are authorized to be appropriated to carry out this section  
 11          such sums as may be necessary for each of fiscal years  
 12          2007 through 2016.”.

13          (b)           CONFORMING            AMENDMENT.—Section  
 14          1886(b)(3)(B)(viii) of the Social Security Act (42 U.S.C.  
 15          1395ww(b)(3)(B)(viii)), as added by section 5001 of the  
 16          Deficit Reduction Act of 2005, is amended to read as fol-  
 17          lows:

18                       “(VII) The Secretary shall use the  
 19                       data submitted under this clause for the  
 20                       Hospital Quality Report Card Initiative  
 21                       under section 1898.”.

22          **SEC. 4. EVALUATION OF THE HOSPITAL QUALITY REPORT**  
 23                       **CARD INITIATIVE.**

24          (a) IN GENERAL.—The Director of the Agency for  
 25          Healthcare Research and Quality, directly or through con-

1 tract, shall evaluate and periodically report to Congress  
2 on the effectiveness of the Hospital Quality Report Card  
3 Initiative established under section 1898 of the Social Se-  
4 curity Act, as added by section 3, including the effective-  
5 ness of the Initiative in meeting the purpose described in  
6 section 2. The Director shall make such reports available  
7 to the public.

8 (b) RESEARCH.—The Director of the Agency for  
9 Healthcare Research and Quality, in consultation with the  
10 Administrator of the Centers for Medicare & Medicaid  
11 Services, shall use the outcomes from the evaluation con-  
12 ducted pursuant to subsection (a) to increase the useful-  
13 ness of the Hospital Quality Report Card Initiative, par-  
14 ticularly for patients, as necessary.

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