

104TH CONGRESS
2D SESSION

H. R. 4268

To provide for a project to demonstrate the application of telemedicine and medical informatics to improving the quality and cost-effectiveness in the delivery of health care services under the Medicare program and other health programs.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 27, 1996

Mr. RANGEL (for himself and Mr. HOUGHTON) introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for a project to demonstrate the application of telemedicine and medical informatics to improving the quality and cost-effectiveness in the delivery of health care services under the Medicare program and other health programs.

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 “Medicare Telemedicine
5 and Medical Informatics Demonstration Act of 1996”.

1 **SEC. 2. INFORMATICS, TELEMEDICINE, AND EDUCATION**
2 **DEMONSTRATION PROJECT.**

3 (a) **PURPOSE AND AUTHORIZATION.—**

4 (1) **IN GENERAL.—**Under section 1142 of the
5 Social Security Act and consistent with this section,
6 the Secretary of Health and Human Services,
7 through the Agency for Health Care Policy and Re-
8 search, shall make a grant to an eligible grantee to
9 provide for a project to demonstrate the application
10 of high-capacity computing and advanced networks
11 to the provision of health care to both residents of
12 medically underserved rural areas and residents of
13 medically underserved inner-city areas.

14 (2) **FOCUS.—**The project shall focus on—

15 (A) improvements in primary care (and
16 prevention of complications) for those residents
17 with diabetes (mellitus), and

18 (B) those residents who are Medicare bene-
19 ficiaries.

20 (3) **DURATION OF PROJECT.—**The project shall
21 be conducted over a 4-year period.

22 (4) **AUTHORIZATION OF APPROPRIATIONS; MED-
23 ICARE AND MEDICAID WAIVER AUTHORITY.—**The
24 total amount of Federal expenditures that may be
25 provided pursuant to this section under the project
26 shall not exceed \$30,000,000. Subject to such limi-

1 tation, the Secretary may waive such provisions of
2 title XVIII and XIX of the Social Security Act as
3 may be appropriate in order to permit and dem-
4 onstrate the provision of Medicare and Medicaid
5 funding under the project.

6 (b) OBJECTIVES OF PROJECT.—The objectives of the
7 project include the following:

8 (1) Improving patient access to and compliance
9 with appropriate care guidelines for chronic diseases
10 through direct telecommunications link with infor-
11 mation networks in order to improve patient quality-
12 of-life and reduce overall health care costs.

13 (2) Developing a curriculum to train, and pro-
14 viding standards for credentialing and licensure of,
15 health professionals (particularly primary care
16 health professionals) in the use of medical
17 informatics and telecommunications.

18 (3) Demonstrating the application of advanced
19 technologies, such as video-conferencing from a pa-
20 tient's home, remote monitoring of a patient's medi-
21 cal condition, interventional informatics, and apply-
22 ing individualized, automated care guidelines, to as-
23 sist primary care providers in assisting patients with
24 chronic illnesses in a home setting.

1 (4) Application of medical informatics to resi-
2 dents with limited English language skills.

3 (5) Developing standards in the application of
4 telemedicine and medical informatics.

5 (6) Developing a model for the cost-effective de-
6 livery of primary and related care both in a managed
7 care environment and in a fee-for-service environ-
8 ment.

9 (c) ELIGIBLE GRANTEE.—For purposes of this sec-
10 tion, the term “eligible grantee” means a consortium that
11 includes at least one tertiary care hospital, at least one
12 medical school, and at least one regional telecommuni-
13 cations provider and that meets the following require-
14 ments:

15 (1) The consortium is located in an area with
16 a high concentration of medical schools and tertiary
17 care facilities and has appropriate arrangements
18 (within or outside the consortium) with such schools
19 and facilities, universities, and telecommunications
20 providers, in order to conduct the project.

21 (2) The consortium submits to the Secretary an
22 application at such time, in such manner, and con-
23 taining such information as the Secretary may re-
24 quire, including a description of the use to which the
25 consortium would apply any amounts received under

1 the project and the source and amount of non-Fed-
2 eral contribution towards the project.

3 (3) The consortium demonstrates that it will
4 provide for a contribution toward the project from
5 non-Federal funds or resources in an amount that is
6 not less than 50 percent of the total amount to be
7 expended in carrying out the project.

8 (d) USE OF FUNDS.—

9 (1) IN GENERAL.—Federal payments made
10 available to an eligible grantee under this section
11 shall be used for the development and operation of
12 telemedicine and medical informatics systems and
13 related activities under the project.

14 (2) SPECIFIC USES PERMITTED.—Such pay-
15 ments may be used for any of the following:

16 (A) The acquisition of telemedicine equip-
17 ment for use in patients' homes (but only in the
18 case of patients located in medically under-
19 served areas).

20 (B) Curriculum development and training
21 of health professionals in medical informatics
22 and telemedicine.

23 (C) Payment of telecommunications costs
24 (including salaries and maintenance of equip-
25 ment), including costs of telecommunications

1 between patients' homes and the eligible grant-
2 ee and between the grantee and other entities
3 under the arrangements described in subsection
4 (c)(1).

5 (D) Payments to practitioners and provid-
6 ers under the Medicare and Medicaid programs.

7 (3) PROHIBITED USES.—Such payments may
8 not be used for any of the following:

9 (A) The purchase or installation of trans-
10 mission equipment (other than such equipment
11 used by health professionals to deliver medical
12 informatics services under the project).

13 (B) The establishment or operation of a
14 telecommunications common carrier network.

15 (C) Construction (except for minor renova-
16 tions related to the installation of reimbursable
17 equipment) or the acquisition or building of real
18 property.

19 (e) REPORTS.—The Secretary shall submit to the
20 Committees on Ways and Means and Commerce of the
21 House of Representatives and the Committees on Finance
22 and Labor and Human Resources of the Senate interim
23 reports on the project and a final report on the project
24 within 6 months after the conclusion of the project. The
25 final report shall include an evaluation of the impact of

1 the use of telemedicine and medical informatics on improv-
2 ing access of medicare and medicaid beneficiaries to health
3 care services, on reducing the costs of such services, and
4 on improving the quality of life of such beneficiaries.

5 (f) DEFINITIONS.—For purposes of this section:

6 (1) INTERVENTIONAL INFORMATICS.—The term
7 “interventional informatics” means using informa-
8 tion technology and virtual reality technology to in-
9 tervene in patient care.

10 (2) MEDICAL INFORMATICS.—The term “medi-
11 cal informatics” means the storage, retrieval, and
12 use of biomedical and related information for prob-
13 lem solving and decision-making through computing
14 and communications technologies.

15 (3) PROJECT.—The term “project” means the
16 demonstration project under this section.

17 (4) SECRETARY.—The term “Secretary” means
18 the Secretary of Health and Human Services.

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