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1ST SESSION

H. R. 2506

IN THE SENATE OF THE UNITED STATES

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Received; read twice and referred to the Committee on Health, Education,
Labor, and Pensions

AN ACT

To amend title IX of the Public Health Service Act to
revise and extend the Agency for Health Care 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Health Research and
3 Quality Act of 1999”.

4 **SEC. 2. AMENDMENT TO THE PUBLIC HEALTH SERVICE**
5 **ACT.**

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

9 **“TITLE IX—AGENCY FOR**
10 **HEALTH RESEARCH AND**
11 **QUALITY**

12 **“PART A—ESTABLISHMENT AND GENERAL**
13 **DUTIES**

14 **“SEC. 901. MISSION AND DUTIES.**

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

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

1 mote health care quality improvement by conducting and
2 supporting—

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

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

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

13 “(C) existing and innovative technologies;

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

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

20 “(F) methods for measuring quality and
21 strategies for improving quality; and

22 “(G) ways in which patients, consumers,
23 purchasers, and practitioners acquire new infor-
24 mation about best practices and health benefits,

1 the determinants and impact of their use of this
2 information;

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

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

9 “(c) REQUIREMENTS WITH RESPECT TO SPECIAL
10 POPULATIONS.—There is established within the Agency
11 an office to be known as the Office on Special Populations,
12 which shall be headed by an official appointed by the Di-
13 rector. The Director, acting through such Office, shall
14 conduct and support research and evaluations, and sup-
15 port demonstration projects, with respect to—

16 “(1) the delivery of health services in inner-city
17 areas and in rural areas (including frontier areas);

18 “(2) health services for low-income groups, and
19 minority groups;

20 “(3) the health of children;

21 “(4) the elderly; and

22 “(5) people with special health care needs, in-
23 cluding disabilities, chronic care and end-of-life
24 health care.

1 **“SEC. 902. GENERAL AUTHORITIES.**

2 “(a) IN GENERAL.—In carrying out section 901(b),
3 the Director shall conduct and support research, evalua-
4 tions, and training, support demonstration projects, re-
5 search networks, and multi-disciplinary centers, provide
6 technical assistance, and disseminate information on
7 health care and on systems for the delivery of such care,
8 including activities with respect to—

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

11 “(2) quality measurement and improvement;

12 “(3) the outcomes, cost, cost-effectiveness, and
13 use of health care services and access to such serv-
14 ices;

15 “(4) clinical practice, including primary care
16 and practice-oriented research;

17 “(5) health care technologies, facilities, and
18 equipment;

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

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

23 “(8) health statistics, surveys, database devel-
24 opment, and epidemiology; and

25 “(9) medical liability.

26 “(b) HEALTH SERVICES TRAINING GRANTS.—

1 “(1) IN GENERAL.—The Director may provide
2 training grants in the field of health services re-
3 search related to activities authorized under sub-
4 section (a), to include pre- and post-doctoral fellow-
5 ships and training programs, young investigator
6 awards, and other programs and activities as appro-
7 priate. In carrying out this subsection, the Director
8 shall make use of funds made available under sec-
9 tion 487(d)(3) for the Agency.

10 “(2) REQUIREMENTS.—In developing priorities
11 for the allocation of training funds under this sub-
12 section, the Director shall take into consideration
13 shortages in the number of trained researchers who
14 are members of one of the priority populations and
15 the number of trained researchers who are address-
16 ing the priority populations.

17 “(c) MULTIDISCIPLINARY CENTERS.—The Director
18 may provide financial assistance to assist in meeting the
19 costs of planning and establishing new centers, and oper-
20 ating existing and new centers, for multidisciplinary
21 health services research, demonstration projects, evalua-
22 tions, training, and policy analysis with respect to the mat-
23 ters referred to in subsection (a).

24 “(d) RELATION TO CERTAIN AUTHORITIES REGARD-
25 ING SOCIAL SECURITY.—Activities authorized in this sec-

1 tion shall be appropriately coordinated with experiments,
2 demonstration projects, and other related activities au-
3 thorized by the Social Security Act and the Social Security
4 Amendments of 1967. Activities under subsection (a)(2)
5 of this section that affect the programs under titles XVIII,
6 XIX and XXI of the Social Security Act shall be carried
7 out consistent with section 1142 of such Act.

8 “(e) DISCLAIMER.—The Agency shall not mandate
9 national standards of clinical practice or quality health
10 care standards. Recommendations resulting from projects
11 funded and published by the Agency shall include a cor-
12 responding disclaimer.

13 “(f) RULE OF CONSTRUCTION.—Nothing in this sec-
14 tion shall be construed to imply that the Agency’s role is
15 to mandate a national standard or specific approach to
16 quality measurement and reporting. In research and qual-
17 ity improvement activities, the Agency shall consider a
18 wide range of choices, providers, health care delivery sys-
19 tems, and individual preferences.

20 “(g) ANNUAL REPORT.—Beginning with fiscal year
21 2003, the Director shall annually submit to the Congress
22 a report regarding prevailing disparities in health care de-
23 livery as it relates to racial factors and socioeconomic fac-
24 tors in priority populations.

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

3 “(A) the identification and assessment of
4 methods for the evaluation of the health of—

5 “(i) enrollees in health plans by type
6 of plan, provider, and provider arrange-
7 ments; and

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

10 “(B) the ongoing development, testing, and
11 dissemination of quality measures, including
12 measures of health and functional outcomes;

13 “(C) the compilation and dissemination of
14 health care quality measures developed in the
15 private and public sector;

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

18 “(E) the development of survey tools for
19 the purpose of measuring participant and bene-
20 ficiary assessments of their health care; and

21 “(F) identifying and disseminating infor-
22 mation on mechanisms for the integration of in-
23 formation on quality into purchaser and con-
24 sumer decision-making processes.

1 “(b) CENTERS FOR EDUCATION AND RESEARCH ON
2 THERAPEUTICS.—

3 “(1) IN GENERAL.—The Secretary, acting
4 through the Director and in consultation with the
5 Commissioner of Food and Drugs, shall establish a
6 program for the purpose of making one or more
7 grants for the establishment and operation of one or
8 more centers to carry out the activities specified in
9 paragraph (2).

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

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

14 “(i) To increase awareness of—

15 “(I) new uses of drugs, biological
16 products, and devices;

17 “(II) ways to improve the effec-
18 tive use of drugs, biological products,
19 and devices; and

20 “(III) risks of new uses and risks
21 of combinations of drugs and biologi-
22 cal products.

23 “(ii) To provide objective clinical in-
24 formation to the following individuals and
25 entities:

1 “(I) Health care practitioners
2 and other providers of health care
3 goods or services.

4 “(II) Pharmacists, pharmacy
5 benefit managers and purchasers.

6 “(III) Health maintenance orga-
7 nizations and other managed health
8 care organizations.

9 “(IV) Health care insurers and
10 governmental agencies.

11 “(V) Patients and consumers.

12 “(iii) To improve the quality of health
13 care while reducing the cost of health care
14 through—

15 “(I) an increase in the appro-
16 priate use of drugs, biological prod-
17 ucts, or devices; and

18 “(II) the prevention of adverse
19 effects of drugs, biological products,
20 and devices and the consequences of
21 such effects, such as unnecessary hos-
22 pitalizations.

23 “(B) The conduct of research on the com-
24 parative effectiveness, cost-effectiveness, and
25 safety of drugs, biological products, and devices.

1 “(C) The conduct of research on methods
2 to reduce the costs to consumers of obtaining
3 prescription drugs.

4 “(D) Such other activities as the Secretary
5 determines to be appropriate, except that a
6 grant may not be expended to assist the Sec-
7 retary in the review of new drugs.

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

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

14 “(2) develop, demonstrate, and evaluate strate-
15 gies for reducing errors and improving patient safe-
16 ty; and

17 “(3) promote the implementation of effective
18 strategies throughout the health care industry.

19 “(d) CANCER AND CARDIOVASCULAR DISEASES IN
20 WOMEN.—The Director shall conduct and support re-
21 search and build private-public partnerships to enhance
22 the quality, appropriateness, and effectiveness of and ac-
23 cess to health services regarding cancer and cardiovascular
24 diseases in women, including with respect to the compara-

1 tive effectiveness, cost-effectiveness, and safety of such
2 services.

3 “(e) STUDIES OF METHODS TO IMPROVE ACCESS TO
4 HEALTH SERVICES.—The Director shall conduct, and
5 shall provide scientific and technical support for private
6 and public efforts to conduct, studies of the organization,
7 delivery, and financing of health services in order to deter-
8 mine the cost and quality effects of various methods of
9 substantially increasing the number of individuals in the
10 United States who have access to health services. Such
11 studies shall include an examination of the financial im-
12 pacts of a range of health reform proposals to include,
13 but not be limited to, a single payor insurance program
14 compared to the current system across an 8 year period
15 beginning in fiscal year 2000.

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

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

18 “(1) conduct a survey to collect data on a
19 nationally representative sample of the population on
20 the cost, use and, for fiscal year 2001 and subse-
21 quent fiscal years, quality of health care, including
22 the types of health care services Americans use,
23 their access to health care services, frequency of use,
24 how much is paid for the services used, the source
25 of those payments, the types and costs of private

1 health insurance, access, satisfaction, and quality of
2 care for the general population and also for popu-
3 lations identified in section 901(c); and

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

7 “(b) QUALITY AND OUTCOMES INFORMATION.—

8 “(1) IN GENERAL.—Beginning in fiscal year
9 2001, the Director shall ensure that the survey con-
10 ducted under subsection (a)(1) will—

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

20 “(B) provide information on the quality of
21 care and patient outcomes for frequently occur-
22 ring clinical conditions for a nationally rep-
23 resentative sample of the population; and

24 “(C) provide reliable national estimates for
25 children and persons with special health care

1 needs through the use of supplements or peri-
2 odic expansions of the survey.

3 In expanding the Medical Expenditure Panel Survey,
4 as in existence on the date of the enactment of this
5 title in fiscal year 2001 to collect information on the
6 quality of care, the Director shall take into account
7 any outcomes measurements generally collected by
8 private sector accreditation organizations.

9 “(2) ANNUAL REPORT.—Beginning in fiscal
10 year 2003, the Secretary, acting through the Direc-
11 tor, shall submit to Congress an annual report on
12 national trends in the quality of health care provided
13 to the American people.

14 **“SEC. 914. INFORMATION SYSTEMS FOR HEALTH CARE IM-**
15 **PROVEMENT.**

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

20 “(1) the use of information systems for the
21 study of health care quality and outcomes, including
22 the generation of both individual provider and plan-
23 level comparative performance data;

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

1 “(3) the creation of effective linkages between
2 various sources of health information, including the
3 development of information networks;

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

7 “(5) the structure, content, definition, and cod-
8 ing of health information data and medical vocabu-
9 laries in consultation with appropriate Federal enti-
10 ties and shall seek input from appropriate private
11 entities;

12 “(6) the use of computer-based health records
13 in outpatient and inpatient settings as a personal
14 health record for individual health assessment and
15 maintenance, and for monitoring public health and
16 outcomes of care within populations; and

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

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

24 “(c) CERTAIN LINKAGES REGARDING HEALTH IN-
25 FORMATION.—Initiatives under subsection (a) shall in-

1 clude the establishment, through a site maintained by the
2 Director on the telecommunications medium known as the
3 World Wide Web, of linkages meeting appropriate criteria
4 that enable users of the site to obtain information from
5 consumer satisfaction agencies or other entities that per-
6 form evaluations regarding the quality of health care, in-
7 cluding more than one link to entities that evaluate health
8 maintenance organizations, and including a link to the
9 National Committee for Quality Assurance.

10 **“SEC. 915. RESEARCH SUPPORTING PRIMARY CARE AND**
11 **ACCESS IN UNDERSERVED AREAS.**

12 “(a) PREVENTIVE SERVICES TASK FORCE.—

13 “(1) PURPOSE.—The Agency shall provide on-
14 going administrative, research, and technical support
15 for the operation of the Preventive Services Task
16 Force. The Agency shall coordinate and support the
17 dissemination of the Preventive Services Task Force
18 recommendations.

19 “(2) OPERATION.—The Preventive Services
20 Task Force shall review the scientific evidence re-
21 lated to the effectiveness, appropriateness, and cost-
22 effectiveness of clinical preventive services for the
23 purpose of developing recommendations for the
24 health care community, and updating previous rec-
25 ommendations, regarding their usefulness in daily

1 clinical practice. In carrying out its responsibilities
2 under paragraph (1), the Task Force shall not be
3 subject to the provisions of Appendix 2 of title 5,
4 United States Code.

5 “(b) PRIMARY CARE RESEARCH.—

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

18 “(2) RESEARCH.—In carrying out this section,
19 the Center shall conduct and support research
20 concerning—

21 “(A) the nature and characteristics of pri-
22 mary care practice;

23 “(B) the management of commonly occur-
24 ring clinical problems;

1 “(C) the management of undifferentiated
2 clinical problems; and

3 “(D) the continuity and coordination of
4 health services.

5 **“SEC. 916. CLINICAL PRACTICE AND TECHNOLOGY INNOVA-**
6 **TION.**

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

10 “(1) conducting and supporting research on the
11 development, diffusion, and use of health care tech-
12 nology;

13 “(2) developing, evaluating, and disseminating
14 methodologies for assessments of health care prac-
15 tices and technologies;

16 “(3) conducting intramural and supporting ex-
17 tramural assessments of existing and new health
18 care practices and technologies;

19 “(4) promoting education and training and pro-
20 viding technical assistance in the use of health care
21 practice and technology assessment methodologies
22 and results; and

23 “(5) working with the National Library of Med-
24 icine and the public and private sector to develop an

1 electronic clearinghouse of currently available assess-
2 ments and those in progress.

3 “(b) SPECIFICATION OF PROCESS.—

4 “(1) IN GENERAL.—Not later than December
5 31, 2000, the Director shall develop and publish a
6 description of the methods used by the Agency and
7 its contractors for practice and technology assess-
8 ment.

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

19 “(3) METHODOLOGY.—The Director shall, in
20 developing the methods used under paragraph (1),
21 consider—

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

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

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

1 “(D) comparisons to alternate health care
2 technologies and practices; and

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

5 “(c) SPECIFIC ASSESSMENTS.—

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

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

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

23 “(4) ELIGIBLE ENTITIES.—An entity described
24 in this paragraph is an entity that is determined to
25 be appropriate by the Director, including academic

1 medical centers, research institutions and organiza-
2 tions, professional organizations, third party payers,
3 governmental agencies, minority institutions of high-
4 er education (such as Historically Black Colleges
5 and Universities, and Hispanic institutions), and
6 consortia of appropriate research entities established
7 for the purpose of conducting technology assess-
8 ments.

9 “(d) MEDICAL EXAMINATION OF CERTAIN VIC-
10 TIMS.—

11 “(1) IN GENERAL.—In carrying out subsection
12 (a), the Director shall promote evidence-based clin-
13 ical practices for—

14 “(A) the examination and treatment by
15 health professionals of individuals who are vic-
16 tims of sexual assault (including child molesta-
17 tion) or attempted sexual assault; and

18 “(B) the training of health professionals
19 on performing medical evidentiary examinations
20 of individuals who are victims of child abuse or
21 neglect, sexual assault, elder abuse, or domestic
22 violence.

23 “(2) CERTAIN CONSIDERATIONS.—Evidence-
24 based clinical practices promoted under paragraph
25 (1) shall take into consideration the expertise and

1 experience of Federal and State law enforcement of-
2 ficials regarding the victims referred to in such
3 paragraph, and of other appropriate public and pri-
4 vate entities (including medical societies, victim serv-
5 ices organizations, sexual assault prevention organi-
6 zations, and social services organizations).

7 “(e) CERTAIN TECHNOLOGIES AND PRACTICES RE-
8 GARDING SURVIVAL RATES FOR CARDIAC ARREST.—In
9 carrying out subsection (a) with respect to innovations in
10 health care technologies and clinical practice, the Director
11 shall, in consultation with appropriate public and private
12 entities, develop recommendations regarding the place-
13 ment of automatic external defibrillators in Federal build-
14 ings as a means of improving the survival rates of individ-
15 uals who experience cardiac arrest in such buildings, in-
16 cluding recommendations on training, maintenance, and
17 medical oversight, and on coordinating with the system for
18 emergency medical services.

19 **“SEC. 917. COORDINATION OF FEDERAL GOVERNMENT**
20 **QUALITY IMPROVEMENT EFFORTS.**

21 “(a) REQUIREMENT.—

22 “(1) IN GENERAL.—To avoid duplication and
23 ensure that Federal resources are used efficiently
24 and effectively, the Secretary, acting through the Di-
25 rector, shall coordinate all research, evaluations, and

1 demonstrations related to health services research,
2 quality measurement and quality improvement ac-
3 tivities undertaken and supported by the Federal
4 Government.

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

9 “(A) improve interagency coordination, pri-
10 ority setting, and the use and sharing of re-
11 search findings and data pertaining to Federal
12 quality improvement programs, technology as-
13 sessment, and health services research;

14 “(B) strengthen the research information
15 infrastructure, including databases, pertaining
16 to Federal health services research and health
17 care quality improvement initiatives;

18 “(C) set specific goals for participating
19 agencies and departments to further health
20 services research and health care quality im-
21 provement; and

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

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

1 “(1) IN GENERAL.—To provide Congress, the
2 Department of Health and Human Services, and
3 other relevant departments with an independent, ex-
4 ternal review of their quality oversight, quality im-
5 provement and quality research programs, the Sec-
6 retary shall enter into a contract with the Institute
7 of Medicine—

8 “(A) to describe and evaluate current qual-
9 ity improvement, quality research and quality
10 monitoring processes through—

11 “(i) an overview of pertinent health
12 services research activities and quality im-
13 provement efforts conducted by all Federal
14 programs, with particular attention paid to
15 those under titles XVIII, XIX, and XXI of
16 the Social Security Act; and

17 “(ii) a summary of the partnerships
18 that the Department of Health and
19 Human Services has pursued with private
20 accreditation, quality measurement and
21 improvement organizations; and

22 “(B) to identify options and make rec-
23 ommendations to improve the efficiency and ef-
24 fectiveness of quality improvement programs
25 through—

1 “(i) the improved coordination of ac-
2 tivities across the medicare, medicaid and
3 child health insurance programs under ti-
4 tles XVIII, XIX and XXI of the Social Se-
5 curity Act and health services research
6 programs;

7 “(ii) the strengthening of patient
8 choice and participation by incorporating
9 state-of-the-art quality monitoring tools
10 and making information on quality avail-
11 able; and

12 “(iii) the enhancement of the most ef-
13 fective programs, consolidation as appro-
14 priate, and elimination of duplicative ac-
15 tivities within various federal agencies.

16 “(2) REQUIREMENTS.—

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

20 “(i) not later than 12 months after
21 the date of the enactment of this title, of
22 a report providing an overview of the qual-
23 ity improvement programs of the Depart-
24 ment of Health and Human Services for
25 the medicare, medicaid, and CHIP pro-

1 grams under titles XVIII, XIX, and XXI
2 of the Social Security Act; and

3 “(ii) not later than 24 months after
4 the date of the enactment of this title, of
5 a final report containing recommendations.

6 “(B) REPORTS.—The Secretary shall sub-
7 mit the reports described in subparagraph (A)
8 to the Committee on Finance and the Com-
9 mittee on Health, Education, Labor, and Pen-
10 sions of the Senate and the Committee on Ways
11 and Means and the Committee on Commerce of
12 the House of Representatives.

13 **“PART C—GENERAL PROVISIONS**

14 **“SEC. 921. ADVISORY COUNCIL FOR HEALTH CARE RE-**
15 **SEARCH AND QUALITY.**

16 “(a) ESTABLISHMENT.—There is established an advi-
17 sory council to be known as the National Advisory Council
18 for Health Care Research and Quality.

19 “(b) DUTIES.—

20 “(1) IN GENERAL.—The Advisory Council shall
21 advise the Secretary and the Director with respect
22 to activities proposed or undertaken to carry out the
23 purpose of the Agency under section 901(b).

24 “(2) CERTAIN RECOMMENDATIONS.—Activities
25 of the Advisory Council under paragraph (1) shall

1 include making recommendations to the Director
2 regarding—

3 “(A) priorities regarding health care re-
4 search, especially studies related to quality, out-
5 comes, cost and the utilization of, and access
6 to, health care services;

7 “(B) the field of health care research and
8 related disciplines, especially issues related to
9 training needs, and dissemination of informa-
10 tion pertaining to health care quality; and

11 “(C) the appropriate role of the Agency in
12 each of these areas in light of private sector ac-
13 tivity and identification of opportunities for
14 public-private sector partnerships.

15 “(c) MEMBERSHIP.—

16 “(1) IN GENERAL.—The Advisory Council shall,
17 in accordance with this subsection, be composed of
18 appointed members and ex officio members. All
19 members of the Advisory Council shall be voting
20 members other than the individuals designated
21 under paragraph (3)(B) as ex officio members.

22 “(2) APPOINTED MEMBERS.—The Secretary
23 shall appoint to the Advisory Council 18 appro-
24 priately qualified individuals. At least 14 members of
25 the Advisory Council shall be representatives of the

1 public who are not officers or employees of the
2 United States. The Secretary shall ensure that the
3 appointed members of the Council, as a group, are
4 representative of professions and entities concerned
5 with, or affected by, activities under this title and
6 under section 1142 of the Social Security Act. Of
7 such members—

8 “(A) three shall be individuals distin-
9 guished in the conduct of research, demonstra-
10 tion projects, and evaluations with respect to
11 health care;

12 “(B) three shall be individuals distin-
13 guished in the practice of medicine of which at
14 least one shall be a primary care practitioner;

15 “(C) three shall be individuals distin-
16 guished in the other health professions;

17 “(D) three shall be individuals either rep-
18 resenting the private health care sector, includ-
19 ing health plans, providers, and purchasers or
20 individuals distinguished as administrators of
21 health care delivery systems;

22 “(E) three shall be individuals distin-
23 guished in the fields of health care quality im-
24 provement, economics, information systems,
25 law, ethics, business, or public policy; and

1 “(F) three shall be individuals representing
2 the interests of patients and consumers of
3 health care.

4 “(3) EX OFFICIO MEMBERS.—The Secretary
5 shall designate as ex officio members of the Advisory
6 Council—

7 “(A) the Assistant Secretary for Health,
8 the Director of the National Institutes of
9 Health, the Director of the Centers for Disease
10 Control and Prevention, the Administrator of
11 the Health Care Financing Administration, the
12 Assistant Secretary of Defense (Health Af-
13 fairs), and the Under Secretary for Health of
14 the Department of Veterans Affairs; and

15 “(B) such other Federal officials as the
16 Secretary may consider appropriate.

17 “(d) TERMS.—Members of the Advisory Council ap-
18 pointed under subsection (c)(2) shall serve for a term of
19 3 years. A member of the Council appointed under such
20 subsection may continue to serve after the expiration of
21 the term of the members until a successor is appointed.

22 “(e) VACANCIES.—If a member of the Advisory
23 Council appointed under subsection (c)(2) does not serve
24 the full term applicable under subsection (d), the indi-
25 vidual appointed to fill the resulting vacancy shall be ap-

1 pointed for the remainder of the term of the predecessor
2 of the individual.

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

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

11 “(h) COMPENSATION AND REIMBURSEMENT OF
12 EXPENSES.—

13 “(1) APPOINTED MEMBERS.—Members of the
14 Advisory Council appointed under subsection (c)(2)
15 shall receive compensation for each day (including
16 travel time) engaged in carrying out the duties of
17 the Advisory Council unless declined by the member.
18 Such compensation may not be in an amount in ex-
19 cess of the daily equivalent of the annual rate of
20 basic pay prescribed for level IV of the Executive
21 Schedule under section 5315 of title 5, United
22 States Code, for each day during which such mem-
23 ber is engaged in the performance of the duties of
24 the Advisory Council.

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

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

10 **“SEC. 922. PEER REVIEW WITH RESPECT TO GRANTS AND**
11 **CONTRACTS.**

12 “(a) REQUIREMENT OF REVIEW.—

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

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

23 “(b) APPROVAL AS PRECONDITION OF AWARDS.—
24 The Director may not approve an application described in
25 subsection (a)(1) unless the application is recommended

1 for approval by a peer review group established under sub-
2 section (c).

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

4 “(1) IN GENERAL.—The Director shall establish
5 such technical and scientific peer review groups as
6 may be necessary to carry out this section. Such
7 groups shall be established without regard to the
8 provisions of title 5, United States Code, that govern
9 appointments in the competitive service, and without
10 regard to the provisions of chapter 51, and sub-
11 chapter III of chapter 53, of such title that relate
12 to classification and pay rates under the General
13 Schedule.

14 “(2) MEMBERSHIP.—The members of any peer
15 review group established under this section shall be
16 appointed from among individuals who by virtue of
17 their training or experience are eminently qualified
18 to carry out the duties of such peer review group.
19 Officers and employees of the United States may not
20 constitute more than 25 percent of the membership
21 of any such group. Such officers and employees may
22 not receive compensation for service on such groups
23 in addition to the compensation otherwise received
24 for these duties carried out as such officers and em-
25 ployees.

1 “(3) DURATION.—Notwithstanding section
2 14(a) of the Federal Advisory Committee Act, peer
3 review groups established under this section may
4 continue in existence until otherwise provided by
5 law.

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

9 “(A) Such members shall agree in writing
10 to treat information received, pursuant to their
11 work for the group, as confidential information,
12 except that this subparagraph shall not apply to
13 public records and public information.

14 “(B) Such members shall agree in writing
15 to recuse themselves from participation in the
16 peer-review of specific applications which
17 present a potential personal conflict of interest
18 or appearance of such conflict, including em-
19 ployment in a directly affected organization,
20 stock ownership, or any financial or other ar-
21 rangement that might introduce bias in the
22 process of peer-review.

23 “(d) AUTHORITY FOR PROCEDURAL ADJUSTMENTS
24 IN CERTAIN CASES.—In the case of applications for finan-
25 cial assistance whose direct costs will not exceed \$100,000,

1 the Director may make appropriate adjustments in the
2 procedures otherwise established by the Director for the
3 conduct of peer review under this section. Such adjust-
4 ments may be made for the purpose of encouraging the
5 entry of individuals into the field of research, for the pur-
6 pose of encouraging clinical practice-oriented or provider-
7 based research, and for such other purposes as the Direc-
8 tor may determine to be appropriate.

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

11 **“SEC. 923. CERTAIN PROVISIONS WITH RESPECT TO DEVEL-**
12 **OPMENT, COLLECTION, AND DISSEMINATION**
13 **OF DATA.**

14 “(a) STANDARDS WITH RESPECT TO UTILITY OF
15 DATA.—

16 “(1) IN GENERAL.—To ensure the utility, accu-
17 racy, and sufficiency of data collected by or for the
18 Agency for the purpose described in section 901(b),
19 the Director shall establish standard methods for de-
20 veloping and collecting such data, taking into
21 consideration—

22 “(A) other Federal health data collection
23 standards; and

1 “(B) the differences between types of
2 health care plans, delivery systems, health care
3 providers, and provider arrangements.

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

14 “(b) STATISTICS AND ANALYSES.—The Director
15 shall—

16 “(1) take appropriate action to ensure that sta-
17 tistics and analyses developed under this title are of
18 high quality, timely, and duly comprehensive, and
19 that the statistics are specific, standardized, and
20 adequately analyzed and indexed; and

21 “(2) publish, make available, and disseminate
22 such statistics and analyses on as wide a basis as is
23 practicable.

24 “(c) AUTHORITY REGARDING CERTAIN REQUESTS.—
25 Upon request of a public or private entity, the Director

1 may conduct or support research or analyses otherwise au-
2 thorized by this title pursuant to arrangements under
3 which such entity will pay the cost of the services provided.
4 Amounts received by the Director under such arrange-
5 ments shall be available to the Director for obligation until
6 expended.

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

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

9 “(1) without regard to section 501 of title 44,
10 United States Code, promptly publish, make avail-
11 able, and otherwise disseminate, in a form under-
12 standable and on as broad a basis as practicable so
13 as to maximize its use, the results of research, dem-
14 onstration projects, and evaluations conducted or
15 supported under this title;

16 “(2) ensure that information disseminated by
17 the Agency is science-based and objective and under-
18 takes consultation as necessary to assess the appro-
19 priateness and usefulness of the presentation of in-
20 formation that is targeted to specific audiences;

21 “(3) promptly make available to the public data
22 developed in such research, demonstration projects,
23 and evaluations;

24 “(4) provide, in collaboration with the National
25 Library of Medicine where appropriate, indexing, ab-

1 stracting, translating, publishing, and other services
2 leading to a more effective and timely dissemination
3 of information on research, demonstration projects,
4 and evaluations with respect to health care to public
5 and private entities and individuals engaged in the
6 improvement of health care delivery and the general
7 public, and undertake programs to develop new or
8 improved methods for making such information
9 available; and

10 “(5) as appropriate, provide technical assistance
11 to State and local government and health agencies
12 and conduct liaison activities to such agencies to fos-
13 ter dissemination.

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

18 “(c) LIMITATION ON USE OF CERTAIN INFORMA-
19 TION.—No information, if an establishment or person sup-
20 plying the information or described in it is identifiable,
21 obtained in the course of activities undertaken or sup-
22 ported under this title may be used for any purpose other
23 than the purpose for which it was supplied unless such
24 establishment or person has consented (as determined
25 under regulations of the Director) to its use for such other

1 purpose. Such information may not be published or re-
2 leased in other form if the person who supplied the infor-
3 mation or who is described in it is identifiable unless such
4 person has consented (as determined under regulations of
5 the Director) to its publication or release in other form.

6 “(d) PENALTY.—Any person who violates subsection
7 (c) shall be subject to a civil monetary penalty of not more
8 than \$10,000 for each such violation involved. Such pen-
9 alty shall be imposed and collected in the same manner
10 as civil money penalties under subsection (a) of section
11 1128A of the Social Security Act are imposed and col-
12 lected.

13 **“SEC. 925. ADDITIONAL PROVISIONS WITH RESPECT TO**
14 **GRANTS AND CONTRACTS.**

15 “(a) FINANCIAL CONFLICTS OF INTEREST.—With
16 respect to projects for which awards of grants, cooperative
17 agreements, or contracts are authorized to be made under
18 this title, the Director shall by regulation define—

19 “(1) the specific circumstances that constitute
20 financial interests in such projects that will, or may
21 be reasonably expected to, create a bias in favor of
22 obtaining results in the projects that are consistent
23 with such interests; and

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

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

13 “(c) PROVISION OF SUPPLIES AND SERVICES IN
14 LIEU OF FUNDS.—

15 “(1) IN GENERAL.—Upon the request of an en-
16 tity receiving a grant, cooperative agreement, or con-
17 tract under this title, the Secretary may, subject to
18 paragraph (2), provide supplies, equipment, and
19 services for the purpose of aiding the entity in car-
20 rying out the project involved and, for such purpose,
21 may detail to the entity any officer or employee of
22 the Department of Health and Human Services.

23 “(2) CORRESPONDING REDUCTION IN FUNDS.—
24 With respect to a request described in paragraph
25 (1), the Secretary shall reduce the amount of the fi-

1 nancial assistance involved by an amount equal to
2 the costs of detailing personnel and the fair market
3 value of any supplies, equipment, or services pro-
4 vided by the Director. The Secretary shall, for the
5 payment of expenses incurred in complying with
6 such request, expend the amounts withheld.

7 “(d) **APPLICABILITY OF CERTAIN PROVISIONS WITH**
8 **RESPECT TO CONTRACTS.**—Contracts may be entered into
9 under this part without regard to sections 3648 and 3709
10 of the Revised Statutes (31 U.S.C. 529 and 41 U.S.C.
11 5).

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

13 “(a) **DEPUTY DIRECTOR AND OTHER OFFICERS AND**
14 **EMPLOYEES.**—

15 “(1) **DEPUTY DIRECTOR.**—The Director may
16 appoint a deputy director for the Agency.

17 “(2) **OTHER OFFICERS AND EMPLOYEES.**—The
18 Director may appoint and fix the compensation of
19 such officers and employees as may be necessary to
20 carry out this title. Except as otherwise provided by
21 law, such officers and employees shall be appointed
22 in accordance with the civil service laws and their
23 compensation fixed in accordance with title 5,
24 United States Code.

1 “(b) FACILITIES.—The Secretary, in carrying out
2 this title—

3 “(1) may acquire, without regard to the Act of
4 March 3, 1877 (40 U.S.C. 34), by lease or otherwise
5 through the Director of General Services, buildings
6 or portions of buildings in the District of Columbia
7 or communities located adjacent to the District of
8 Columbia for use for a period not to exceed 10
9 years; and

10 “(2) may acquire, construct, improve, repair,
11 operate, and maintain laboratory, research, and
12 other necessary facilities and equipment, and such
13 other real or personal property (including patents)
14 as the Secretary deems necessary.

15 “(c) PROVISION OF FINANCIAL ASSISTANCE.—The
16 Director, in carrying out this title, may make grants to
17 public and nonprofit entities and individuals, and may
18 enter into cooperative agreements or contracts with public
19 and private entities and individuals.

20 “(d) UTILIZATION OF CERTAIN PERSONNEL AND RE-
21 SOURCES.—

22 “(1) DEPARTMENT OF HEALTH AND HUMAN
23 SERVICES.—The Director, in carrying out this title,
24 may utilize personnel and equipment, facilities, and
25 other physical resources of the Department of

1 Health and Human Services, permit appropriate (as
2 determined by the Secretary) entities and individuals
3 to utilize the physical resources of such Department,
4 and provide technical assistance and advice.

5 “(2) OTHER AGENCIES.—The Director, in car-
6 rying out this title, may use, with their consent, the
7 services, equipment, personnel, information, and fa-
8 cilities of other Federal, State, or local public agen-
9 cies, or of any foreign government, with or without
10 reimbursement of such agencies.

11 “(e) CONSULTANTS.—The Secretary, in carrying out
12 this title, may secure, from time to time and for such peri-
13 ods as the Director deems advisable but in accordance
14 with section 3109 of title 5, United States Code, the as-
15 sistance and advice of consultants from the United States
16 or abroad.

17 “(f) EXPERTS.—

18 “(1) IN GENERAL.—The Secretary may, in car-
19 rying out this title, obtain the services of not more
20 than 50 experts or consultants who have appropriate
21 scientific or professional qualifications. Such experts
22 or consultants shall be obtained in accordance with
23 section 3109 of title 5, United States Code, except
24 that the limitation in such section on the duration
25 of service shall not apply.

1 “(2) TRAVEL EXPENSES.—

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

9 “(B) LIMITATION.—Expenses specified in
10 subparagraph (A) may not be allowed in con-
11 nection with the assignment of an expert or
12 consultant whose services are obtained under
13 paragraph (1) unless and until the expert
14 agrees in writing to complete the entire period
15 of assignment, or 1 year, whichever is shorter,
16 unless separated or reassigned for reasons that
17 are beyond the control of the expert or consult-
18 ant and that are acceptable to the Secretary. If
19 the expert or consultant violates the agreement,
20 the money spent by the United States for the
21 expenses specified in subparagraph (A) is recov-
22 erable from the expert or consultant as a statu-
23 tory obligation owed to the United States. The
24 Secretary may waive in whole or in part a right
25 of recovery under this subparagraph.

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

4 **“SEC. 927. FUNDING.**

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

14 “(b) AUTHORIZATION OF APPROPRIATIONS.—For the
15 purpose of carrying out this title, there are authorized to
16 be appropriated \$250,000,000 for fiscal year 2000, and
17 such sums as may be necessary for each of the fiscal years
18 2001 through 2004.

19 “(c) EVALUATIONS.—In addition to amounts avail-
20 able pursuant to subsection (b) for carrying out this title,
21 there shall be made available for such purpose, from the
22 amounts made available pursuant to section 241 (relating
23 to evaluations), an amount equal to 40 percent of the max-
24 imum amount authorized in such section 241 to be made
25 available for a fiscal year.

1 **“SEC. 928. DEFINITIONS.**

2 “In this title:

3 “(1) **ADVISORY COUNCIL.**—The term ‘Advisory
4 Council’ means the National Advisory Council on
5 Health Care Research and Quality established under
6 section 921.

7 “(2) **AGENCY.**—The term ‘Agency’ means the
8 Agency for Health Research and Quality.

9 “(3) **DIRECTOR.**—The term ‘Director’ means
10 the Director of the Agency for Health Research and
11 Quality.”.

12 (b) **RULES OF CONSTRUCTION.**—

13 (1) **IN GENERAL.**—Section 901(a) of the Public
14 Health Service Act (as added by subsection (a) of
15 this section) applies as a redesignation of the agency
16 that carried out title IX of such Act on the day be-
17 fore the date of the enactment of this Act, and not
18 as the termination of such agency and the establish-
19 ment of a different agency. The amendment made
20 by subsection (a) of this section does not affect ap-
21 pointments of the personnel of such agency who
22 were employed at the agency on the day before such
23 date.

24 (2) **REFERENCES.**—Any reference in law to the
25 Agency for Health Care Policy and Research is
26 deemed to be a reference to the Agency for Health

1 Research and Quality, and any reference in law to
2 the Administrator for Health Care Policy and Re-
3 search is deemed to be a reference to the Director
4 of the Agency for Health Research and Quality.

5 **SEC. 3. GRANTS REGARDING UTILIZATION OF PREVENTIVE**
6 **HEALTH SERVICES.**

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

10 **“SEC. 330D. CENTERS FOR STRATEGIES ON FACILITATING**
11 **UTILIZATION OF PREVENTIVE HEALTH SERV-**
12 **ICES AMONG VARIOUS POPULATIONS.**

13 “(a) IN GENERAL.—The Secretary, acting through
14 the appropriate agencies of the Public Health Service,
15 shall make grants to public or nonprofit private entities
16 for the establishment and operation of regional centers
17 whose purpose is to identify particular populations of pa-
18 tients and facilitate the appropriate utilization of preven-
19 tive health services by patients in the populations through
20 developing and disseminating strategies to improve the
21 methods used by public and private health care programs
22 and providers in interacting with such patients.

23 “(b) RESEARCH AND TRAINING.—The activities car-
24 ried out by a center under subsection (a) may include es-
25 tablishing programs of research and training with respect

1 to the purpose described in such subsection, including the
2 development of curricula for training individuals in imple-
3 menting the strategies developed under such subsection.

4 “(c) QUALITY MANAGEMENT.—A condition for the
5 receipt of a grant under subsection (a) is that the appli-
6 cant involved agree that, in order to ensure that the strat-
7 egies developed under such subsection take into account
8 principles of quality management with respect to con-
9 sumer satisfaction, the applicant will make arrangements
10 with one or more private entities that have experience in
11 applying such principles.

12 “(d) PRIORITY REGARDING INFANTS AND CHIL-
13 DREN.—In carrying out the purpose described in sub-
14 section (a), the Secretary shall give priority to various
15 populations of infants, young children, and their mothers.

16 “(e) EVALUATIONS.—The Secretary, acting through
17 the appropriate agencies of the Public Health Service,
18 shall (directly or through grants or contracts) provide for
19 the evaluation of strategies under subsection (a) in order
20 to determine the extent to which the strategies have been
21 effective in facilitating the appropriate utilization of pre-
22 ventive health services in the populations with respect to
23 which the strategies were developed.

24 “(f) AUTHORIZATION OF APPROPRIATIONS.—For the
25 purpose of carrying out this section, there are authorized

1 to be appropriated such sums as may be necessary for
2 each of the fiscal years 2000 through 2004.”.

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

6 Part D of title III of the Public Health Service Act
7 (42 U.S.C. 254b et seq.) is amended by adding at the end
8 the following subpart:

9 “Subpart IX—Support of Graduate Medical Education
10 Programs in Children’s Hospitals

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

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

20 “(b) AMOUNT OF PAYMENTS.—

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

1 “(A) DIRECT EXPENSE AMOUNT.—The
2 amount determined under subsection (c) for di-
3 rect expenses associated with operating ap-
4 proved graduate medical residency training pro-
5 grams.

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

12 “(2) CAPPED AMOUNT.—

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

20 “(B) PRO RATA REDUCTIONS OF PAY-
21 MENTS FOR DIRECT EXPENSES.—If the Sec-
22 retary determines that the amount of funds ap-
23 propriated under subsection (f)(1) for a fiscal
24 year is insufficient to provide the total amount
25 of payments otherwise due for such periods

1 under paragraph (1)(A), the Secretary shall re-
2 duce the amounts so payable on a pro rata
3 basis to reflect such shortfall.

4 “(c) AMOUNT OF PAYMENT FOR DIRECT GRADUATE
5 MEDICAL EDUCATION.—

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

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

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

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

24 “(A) DETERMINATION OF HOSPITAL SIN-
25 GLE PER RESIDENT AMOUNT.—The Secretary

1 shall compute for each hospital operating an
2 approved graduate medical education program
3 (regardless of whether or not it is a children’s
4 hospital) a single per resident amount equal to
5 the average (weighted by number of full-time
6 equivalent residents) of the primary care per
7 resident amount and the non-primary care per
8 resident amount computed under section
9 1886(h)(2) of the Social Security Act for cost
10 reporting periods ending during fiscal year
11 1997.

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

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

23 “(i) by dividing the single per resident
24 amount computed under subparagraph (A)
25 into a wage-related portion and a non-

1 wage-related portion by applying the pro-
2 portion determined under subparagraph
3 (B);

4 “(ii) by dividing the wage-related por-
5 tion by the factor applied under section
6 1886(d)(3)(E) of the Social Security Act
7 for discharges occurring during fiscal year
8 1999 for the hospital’s area; and

9 “(iii) by adding the non-wage-related
10 portion to the amount computed under
11 clause (ii).

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

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

24 “(i) by dividing the national average
25 per resident amount computed under sub-

1 paragraph (D) into a wage-related portion
2 and a non-wage-related portion by applying
3 the proportion determined under subpara-
4 graph (B);

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

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

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

19 “(d) AMOUNT OF PAYMENT FOR INDIRECT MEDICAL
20 EDUCATION.—

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

1 a fiscal year is equal to an amount determined ap-
2 propriate by the Secretary.

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

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

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

18 “(e) MAKING OF PAYMENTS.—

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

1 of such amounts in 26 equal interim installments
2 during such period.

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

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

23 “(f) AUTHORIZATION OF APPROPRIATIONS.—

24 “(1) DIRECT GRADUATE MEDICAL EDU-
25 CATION.—

1 “(A) IN GENERAL.—There are hereby au-
2 thorized to be appropriated, out of any money
3 in the Treasury not otherwise appropriated, for
4 payments under subsection (b)(1)(A)—

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

6 and

7 “(ii) for fiscal year 2001,
8 \$95,000,000.

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

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

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

18 and

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

20 “(g) DEFINITIONS.—In this section:

21 “(1) APPROVED GRADUATE MEDICAL RESI-
22 DENCY TRAINING PROGRAM.—The term ‘approved
23 graduate medical residency training program’ has
24 the meaning given the term ‘approved medical resi-

1 dency training program’ in section 1886(h)(5)(A) of
2 the Social Security Act.

3 “(2) CHILDREN’S HOSPITAL.—The term ‘chil-
4 dren’s hospital’ means a hospital described in section
5 1886(d)(1)(B)(iii) of the Social Security Act.

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

10 **SEC. 5. STUDY REGARDING SHORTAGES OF LICENSED**
11 **PHARMACISTS.**

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

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

1 comments received by the Secretary pursuant to such sub-
2 section.

3 **SEC. 6. REPORT ON TELEMEDICINE.**

4 Not later than January 10, 2001, the Director of the
5 Agency for Health Research and Quality shall submit to
6 the Congress a report that—

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

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

14 (3) determines the extent to which—

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

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

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

1 (5) determines the extent to which primary care
2 physicians are enhancing their medical knowledge
3 and experience through the interaction with special-
4 ists provided by telemedicine consultations; and

5 (6) identifies legal and medical issues relating
6 to State licensing of health professionals that are
7 presented by telemedicine services, and provides any
8 recommendations of the Director for responding to
9 such issues.

10 **SEC. 7. BUY AMERICAN PROVISIONS.**

11 (a) COMPLIANCE WITH BUY AMERICAN ACT.—No
12 funds authorized pursuant to this Act may be expended
13 by an entity unless the entity agrees that in expending
14 the assistance the entity will comply with sections 2
15 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–
16 10c, popularly known as the “Buy American Act”).

17 (b) SENSE OF THE CONGRESS; REQUIREMENT RE-
18 GARDING NOTICE.—

19 (1) PURCHASE OF AMERICAN-MADE EQUIPMENT
20 AND PRODUCTS.—In the case of any equipment or
21 products that may be authorized to be purchased
22 with financial assistance provided under this Act, it
23 is the sense of the Congress that entities receiving
24 such assistance should, in expending the assistance,

1 purchase only American-made equipment and prod-
2 ucts.

3 (2) NOTICE TO RECIPIENTS OF ASSISTANCE.—

4 In providing financial assistance under this Act, the
5 Secretary of Health and Human Services shall pro-
6 vide to each recipient of the assistance a notice de-
7 scribing the statement made in paragraph (1) by the
8 Congress.

Passed the House of Representatives September 28,
1999.

Attest:

JEFF TRANDAHL,

Clerk.