

107TH CONGRESS
1ST SESSION

H. R. 3292

To establish an informatics grant program for hospitals and skilled nursing facilities and to encourage health care providers to make major information technology advances by establishing a Medical Information Technology Advisory Board that will develop and disseminate standards for the electronic sharing of medical information.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 14, 2001

Mr. HOUGHTON (for himself and Mrs. THURMAN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, 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 establish an informatics grant program for hospitals and skilled nursing facilities and to encourage health care providers to make major information technology advances by establishing a Medical Information Technology Advisory Board that will develop and disseminate standards for the electronic sharing of medical information.

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 “Medication Errors Re-
3 duction Act of 2001”.

4 **SEC. 2. INFORMATICS SYSTEMS GRANT PROGRAM FOR**
5 **HOSPITALS AND SKILLED NURSING FACILI-**
6 **TIES.**

7 (a) GRANTS.—

8 (1) IN GENERAL.—The Secretary of Health and
9 Human Services (in this section referred to as the
10 “Secretary”) shall establish a program to make
11 grants to eligible entities that have submitted appli-
12 cations in accordance with subsection (b) for the
13 purpose of assisting such entities in offsetting the
14 costs related to purchasing, leasing, developing, and
15 implementing standardized clinical health care
16 informatics systems designed to improve patient
17 safety and reduce adverse events and health care
18 complications resulting from medication errors.

19 (2) DURATION.—The authority of the Secretary
20 to make grants under this section shall terminate on
21 September 30, 2011.

22 (3) COSTS DEFINED.—For purposes of this sec-
23 tion, the term “costs” shall include total expendi-
24 tures incurred for—

1 (A) purchasing, leasing, and installing
2 computer software and hardware, including
3 handheld computer technologies;

4 (B) making improvements to existing com-
5 puter software and hardware;

6 (C) purchasing or leasing communications
7 capabilities necessary for clinical data access,
8 storage, and exchange; and

9 (D) providing education and training to el-
10 igible entity staff on computer patient safety in-
11 formation systems.

12 (4) ELIGIBLE ENTITY DEFINED.—For purposes
13 of this section, the term “eligible entity” means the
14 following entities:

15 (A) HOSPITAL.—A hospital (as defined in
16 section 1861(e) of the Social Security Act (42
17 U.S.C. 1395x(e))).

18 (B) SKILLED NURSING FACILITY.—A
19 skilled nursing facility (as defined in section
20 1819(a) of such Act (42 U.S.C. 1395i–3(e))).

21 (b) APPLICATION.—An eligible entity seeking a grant
22 under this section shall submit an application to the Sec-
23 retary at such time, in such form and manner, and con-
24 taining such information as the Secretary specifies.

1 (c) SPECIAL CONSIDERATIONS AND RURAL HOS-
2 PITAL RESERVE.—

3 (1) SPECIAL CONSIDERATION FOR ELIGIBLE
4 ENTITIES THAT SERVE A LARGE NUMBER OF MEDI-
5 CARE, MEDICAID, AND SCHIP ELIGIBLE INDIVID-
6 UALS.—In awarding grants under this section, the
7 Secretary shall give special consideration to eligible
8 entities in which individuals that are eligible for ben-
9 efits under the medicare program under title XVIII
10 of the Social Security Act, the medicaid program
11 under title XIX of such Act, or under the State chil-
12 dren’s health insurance program under title XXI of
13 such Act make up a high percentage of the total pa-
14 tient population of the entity.

15 (2) RESERVE 20 PERCENT OF GRANT FUNDS
16 FOR RURAL HOSPITALS.—

17 (A) IN GENERAL.—Subject to subpara-
18 graph (C), the Secretary shall ensure that at
19 least 20 percent of the funds available for mak-
20 ing grants under this section are used for mak-
21 ing grants to eligible entities that are rural hos-
22 pitals.

23 (B) RURAL HOSPITAL DEFINED.—For pur-
24 poses of subparagraph (A), the term “rural hos-
25 pital” means a hospital that—

1 (i) is located in a rural area (as such
2 term is defined for purposes of section
3 1886(d) of the Social Security Act (42
4 U.S.C. 1395ww(d));

5 (ii) is located in an area designated by
6 any law or regulation of the State as a
7 rural area; or

8 (iii) is designated by the State as a
9 rural hospital.

10 (C) AVAILABILITY OF RESERVE FUNDS IF
11 LIMITED NUMBER OF RURAL HOSPITALS APPLY
12 FOR GRANTS.—If the Secretary estimates that
13 the amount of funds reserved under subpara-
14 graph (A) for hospitals described in such sub-
15 paragraph exceeds the maximum amount of
16 funds permitted for such hospitals under sub-
17 section (d), the Secretary may reduce the
18 amount reserved for such hospitals by an
19 amount equal to such excess and use such
20 funds for awarding grants to other eligible enti-
21 ties.

22 (3) SPECIAL CONSIDERATION FOR COMPLIANCE
23 WITH RECOMMENDED STANDARDS.—In awarding
24 grants under this section, the Secretary shall give
25 special consideration to eligible entities for grants

1 that are intended to comply with the requirements
2 referred to in paragraph (1)(B) of section 3(c) (re-
3 lating to interoperability standardization, common
4 medical technology (lexicon), and records security)
5 that are recommended under such section.

6 (d) LIMITATION ON AMOUNT OF GRANT.—

7 (1) IN GENERAL.—A grant awarded under this
8 section may not exceed the lesser of—

9 (A) an amount equal to the applicable per-
10 centage of the costs incurred by the eligible en-
11 tity for the project for which the entity is seek-
12 ing funding under this section; or

13 (B) in the case of a grant made to a—

14 (i) hospital, \$750,000; or

15 (ii) skilled nursing facility, \$200,000.

16 (2) APPLICABLE PERCENTAGE.—For purposes
17 of paragraph (1)(A), the term “applicable percent-
18 age” means, with respect to an eligible entity, the
19 percentage of total net revenues for such period as
20 determined appropriate by the Secretary for the en-
21 tity that consists of net revenues from the medicare
22 and medicaid programs or the State children’s
23 health insurance program under titles XVIII, XIX,
24 and XXI of the Social Security Act.

1 (e) ELIGIBLE ENTITY REQUIRED TO FURNISH SEC-
2 RETARY WITH INFORMATION.—An eligible entity receiv-
3 ing a grant under this section shall furnish the Secretary
4 with such information as the Secretary may require to—

5 (1) evaluate the project for which the grant is
6 made; and

7 (2) ensure that funding provided under the
8 grant is expended for the purposes for which it is
9 made.

10 (f) REPORTS.—

11 (1) INTERIM REPORTS.—

12 (A) IN GENERAL.—The Secretary shall
13 submit, at least annually, a report to the Com-
14 mittee on Ways and Means of the House of
15 Representatives and the Committee on Finance
16 of the Senate on the grant program established
17 under this section.

18 (B) CONTENTS.—A report submitted pur-
19 suant to subparagraph (A) shall include infor-
20 mation on—

21 (i) the number of grants made;

22 (ii) the nature of the projects for
23 which funding is provided under the grant
24 program;

1 (iii) the geographic distribution of
2 grant recipients; and

3 (iv) such other matters as the Sec-
4 retary determines appropriate.

5 (2) FINAL REPORT.—Not later than 180 days
6 after the completion of all of the projects for which
7 a grant is made under this section, the Secretary
8 shall submit a final report to the committees re-
9 ferred to in paragraph (1)(A) on the grant program
10 established under this section, together with such
11 recommendations for legislation and administrative
12 action as the Secretary determines appropriate.

13 (g) AUTHORIZATION OF APPROPRIATIONS.—

14 (1) AUTHORIZATION.—

15 (A) HOSPITALS.—There are authorized to
16 be appropriated from the Federal Hospital In-
17 surance Trust Fund under section 1817 of the
18 Social Security Act (42 U.S.C. 1395i)
19 \$93,000,000, for each of the fiscal years 2002
20 through 2011, for the purpose of making grants
21 under this section to eligible entities that are
22 hospitals.

23 (B) SKILLED NURSING FACILITIES.—

24 There are authorized to be appropriated from
25 the Federal Hospital Insurance Trust Fund

1 under section 1817 of the Social Security Act
2 (42 U.S.C. 1395i) \$4,500,000, for each of the
3 fiscal years 2002 through 2011, for the purpose
4 of making grants under this section to eligible
5 entities that are skilled nursing facilities.

6 (2) AVAILABILITY.—Any amounts appropriated
7 pursuant to the authority contained in subparagraph
8 (A) or (B) of paragraph (1) shall remain available,
9 without fiscal year limitation, through September
10 30, 2011.

11 **SEC. 3. MEDICAL INFORMATION TECHNOLOGY ADVISORY**
12 **BOARD.**

13 (a) ESTABLISHMENT.—No later than three months
14 after the date of the enactment of this Act, the Secretary
15 of Health and Human Services (in this section referred
16 to as the “Secretary”) shall appoint a board to be known
17 as the “Medical Information Technology Advisory Board”
18 (in this section referred to as the “MITAB”). The Sec-
19 retary shall designate one member as chairman and one
20 as vice chairman.

21 (b) COMPOSITION.—

22 (1) IN GENERAL.—The MITAB shall consist of
23 17 members that include—

24 (A) experts from the fields of medical in-
25 formation, information technology, medical con-

1 tinuous quality improvement, medical records
2 security and privacy, individual and institu-
3 tional health care clinical providers, health re-
4 searchers, and health care purchasers;

5 (B) one or more Members of the National
6 Committee on Vital and Health Statistics and
7 one or more Members of the Medicare Payment
8 Advisory Commission or its staff; and

9 (C) one or more staff experts from the Na-
10 tional Library of Medicine, the Centers for
11 Medicare & Medicaid Services, and the Agency
12 for Healthcare Research and Quality.

13 (2) TERMS; ETC.—The provisions of paragraphs
14 (3) through (8) of section 4021(e) of the Balanced
15 Budget Act of 1997 shall apply to the MITAB in
16 the same manner as they applied to the National Bi-
17 partisan Commission on the Future of Medicare.

18 (c) DUTIES.—

19 (1) INITIAL REPORT.—No later than 30 months
20 after the date of the enactment of this Act, the
21 MITAB shall submit to Congress a report on the
22 following:

23 (A) The best current practices in medical
24 information technology.

1 (B) The requirements to be established
2 (after appropriate development and testing)
3 for—

4 (i) health care information technology
5 interoperability standardization,

6 (ii) common medical terminology (lexi-
7 con), and

8 (iii) records security.

9 (C) Certification of compliance with
10 MITAB requirements, so that the goal of con-
11 fidential information exchange among health
12 care providers may be promoted and so that
13 long-term compatibility among information sys-
14 tems is maximized, in order to promote one or
15 more of the goals described in subsection (d).

16 (2) SUBSEQUENT REPORTS.—During the 6
17 years after the year in which the report is submitted
18 under paragraph (1), the MITAB shall submit to
19 Congress reports, every 24 months, relating to addi-
20 tional recommendations, best practices, results of in-
21 formation technology improvements financed under
22 grants under section 2, and such other matters as
23 may help ensure the most rapid dissemination of
24 best practices in health care information technology.

1 (d) GOALS.—The goals described in this subsection
2 are the following:

3 (1) To maximize positive outcomes in clinical
4 care—

5 (A) by providing decision support for diag-
6 nosis and care; and

7 (B) by assisting in the emergency treat-
8 ment of a patient presenting at a facility where
9 there is no medical record of the patient.

10 (2) To contribute to (and be consistent with)
11 the development of the patient assessment instru-
12 ment provided for under section 545 of the Medi-
13 care, Medicaid, and SCHIP Benefits Improvement
14 and Protection Act of 2000 (as enacted into law by
15 section 1(a)(6) of Public Law 106–554), and to as-
16 sist in minimizing the need for new and different
17 records as patients move from provider to provider.

18 (3) To reduce or eliminate the need for redun-
19 dant records, paperwork, and the repetitive taking of
20 patient histories and administering of tests.

21 (4) To minimize medical errors, such as admin-
22 istration of contraindicated drugs.

23 (5) To promote and ensure access to best prac-
24 tices of medicine through support of research across
25 institutions.

1 (6) To provide a compatible information tech-
2 nology architecture that facilitates future quality
3 and cost-saving needs and that avoids the financing
4 and development of information technology systems
5 that are not readily compatible.

6 (e) STAFF AND ADMINISTRATION.—The provisions of
7 section 4021(d) of the Balanced Budget Act of 1997 shall
8 apply to the MITAB in the same manner as they applied
9 to the National Bipartisan Commission on the Future of
10 Medicare.

11 (f) POWERS.—The provisions of section 4021(e) of
12 the Balanced Budget Act of 1997 shall apply to the
13 MITAB in the same manner as they applied to the Na-
14 tional Bipartisan Commission on the Future of Medicare.

15 (g) TERMINATION.—The MITAB shall terminate 30
16 days after the date of submission of its final report under
17 subsection (e)(2).

18 (h) AUTHORIZATION OF APPROPRIATIONS.—There
19 are authorized to be appropriated \$2,500,000 in fiscal
20 year 2002, \$8,000,000 in fiscal year 2003, and
21 \$9,500,000 in fiscal year 2004 to carry out this section.
22 The full amount of such appropriation shall be payable
23 from the Federal Hospital Insurance Trust Fund under
24 section 1817 of the Social Security Act (42 U.S.C. 1395i).
25 Funding for the reports provided under subsection (e)(2)

- 1 shall be from funds appropriated for the administrative
- 2 budget of the Centers for Medicare & Medicaid Services.

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