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110TH CONGRESS
2D SESSION

# H. R. 6725

To establish budget neutral demonstration projects to study and improve the quality and cost effectiveness of cancer care services provided to Medicare beneficiaries.

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IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2008

Mr. CROWLEY (for himself, Mr. ROGERS of Michigan, Mr. ENGLISH of Pennsylvania, Mrs. CAPPS, Mr. KENNEDY, Mr. THOMPSON of California, Ms. SCHWARTZ, and Ms. BERKLEY) 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

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# A BILL

To establish budget neutral demonstration projects to study and improve the quality and cost effectiveness of cancer care services provided to Medicare beneficiaries.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Oncology Quality Care Improvement Act of 2008''.

**SEC. 2. BUDGET NEUTRAL MEDICARE ONCOLOGY CARE QUALITY IMPROVEMENT DEMONSTRATION PROJECTS.**

(a) DEFINITIONS.—In this section:

(1) DEMONSTRATION PROJECT.—The term ''demonstration project'' means a demonstration project established by the Secretary under subsection (b).

(2) ELIGIBLE BENEFICIARY.—The term ''eligible beneficiary'' means an individual who—

(A) is entitled to benefits under part A and enrolled under part B, but not enrolled in a Medicare Advantage plan under part C, of title XVIII of the Social Security Act; and

(B) is diagnosed with one or more of at least six prevalent cancer conditions, including breast, colon, lung, and ovarian cancer and additional cancers, designated by the Secretary as appropriate for demonstration projects.

(3) ONCOLOGY CARE GROUP.—The term ''oncology care group'' means a group of physicians, or physicians and oncology nurse practitioners, that is organized for the purpose of providing community-based cancer care services under a demonstration project.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(b) ESTABLISHMENT.—

(1) IN GENERAL.—Subject to the succeeding provisions of this section, the Secretary shall establish demonstration projects under which the Secretary shall test and evaluate methods that improve the quality of care provided to eligible beneficiaries with certain cancer diagnoses and that reduce expenditures that would otherwise be made under the Medicare program on behalf of such individuals for such cancer diagnoses. Such methods shall include—

(A) the adoption of and adherence to clinical, evidence-based practice guidelines and treatment protocols; and

(B) the use of electronic health record (EHR) technology or other method that allows for timely data collection and reporting.

(2) EXPECTATIONS OF GROUP PARTICIPANTS.—Under a demonstration project oncology care groups participating in the project—

(A) are expected to reduce spending under parts A and B of title XVIII of the Social Security Act to a level equal to or below 95 percent of the per-patient amount projected by the Sec-

retary under such parts in the absence of such project; and

(B) shall be eligible for payment of two separate fees, allotted from the 5 percent expected savings described in subparagraph (A)—

(i) one of which is a reporting fee, that is fully refundable to the Secretary for groups that fail to meet the established spending targets; and

(ii) the other of which is a performance fee that is paid only to groups that meet the established spending targets as determined by the Secretary after annual cost reconciliation.

(c) DESIGN OF PROJECTS.—

(1) ESTABLISHMENT OF BASELINES.—In establishing demonstration projects under this section—

(A) The Secretary shall develop, in conjunction with the Office of Management and Budget, a per-beneficiary spending baseline for each of these diagnoses against which the financial performance of demonstration project participants would be measured. This baseline will include expenditures for beneficiaries with any of the targeted diagnoses, inclusive of all inpa-

tient costs and outpatient costs, including costs of prescription drugs under part D of title XVIII of the Social Security Act.

(B) The Secretary shall establish, in conjunction with demonstration project participants, which performance standards and savings targets will be used to measure improvements to clinical quality, improvements to provider and beneficiary satisfaction, and achievement of savings.

(C) The Secretary shall encourage participation from varied geographic regions.

(2) REQUIREMENT FOR ESTIMATE OF BUDGET NEUTRAL COSTS FOR EACH PROJECT.—As part of the establishment of baselines under paragraph (1)(A), the Secretary shall evaluate the costs of furnishing care under demonstration projects. The Secretary may not implement a demonstration project under this section unless the Secretary determines that the costs of providing care to individuals with cancer diagnoses under the project will not exceed the costs, in the aggregate, of furnishing care to such individuals under title XVIII of the Social Security Act, that would otherwise be paid without re-

gard to the demonstration project for the period of the project.

(3) COST COMPARISONS DURING PROJECT.—The Secretary shall monitor the performance of participating oncology care groups against the baselines developed under paragraph (1)(A) with respect to demonstration project participants relative to the performance of non-participating oncology care groups that furnish oncology care services in a community-based setting to similarly situated individuals but that do not employ or adhere to electronic health record (EHR) technology or clinical, evidence-based practice guidelines and treatment protocols.

(d) PARTICIPATION.—

(1) IN GENERAL.—An oncology care group that provides care for a minimum number of eligible beneficiaries (as specified by the Secretary) may participate in a demonstration project if the oncology care group agrees—

(A) to report electronically clinical quality and outcomes measures in accordance with requirements established by the Secretary under the project; and

(B)(i) to use electronic health record (EHR) technology to manage the clinical care

of eligible beneficiaries consistent with paragraph (2); or

(ii) to demonstrate to the satisfaction of the Secretary the ability to measure and report pathway adherence consistent with paragraph (2) through alternative means approved by the Secretary.

The Secretary shall strive to be as inclusive of alternative means of reporting as possible.

(2) PRACTICE STANDARDS.—Each oncology care group participating in a demonstration project shall demonstrate the ability—

(A) to provide cancer care services that are comprehensive, predictable, provider-led, and transparent;

(B) to deliver a variety of treatment options safely and efficiently;

(C) to identify and eliminate execution barriers, enhance capacity availability, and utilization, and to use the latest research and technology available;

(D) to employ a patient education infrastructure and patient surveys;

(E) to adopt and adhere to clinical, evidence-based practice guidelines and treatment

protocols that are evidence based and peer reviewed with a mechanism for monitoring compliance on a routine basis;

(F) to meet such clinical quality and outcome measures as the Secretary shall require;

(G) to measure and report data regarding variations in the utilization and allocation of services, where such data can be used to reduce scientific uncertainty in the delivery of care;

(H) to establish and maintain a method of data collection that can track compliance to pathways and report compliance electronically for such beneficiaries or an alternative method approved by the Secretary; and

(I) to meet such other service provision requirements as the Secretary may specify.

(3) VOLUNTARINESS.—Participation of providers of services and suppliers, and of individuals with cancer diagnoses, in a demonstration project shall be voluntary.

(e) PAYMENT METHODOLOGY.——

(1) IN GENERAL.—Under a demonstration project the Secretary shall pay, from the projected 5 percent savings described in subsection (b)(2)(A), a per beneficiary amount to each participating oncol-

ogy care group that meets or exceeds specific performance standards established by the Secretary with respect to the clinical quality and outcome measures reported under subsection (d)(1)(A). Such per beneficiary amount shall be composed of—

(A) a reporting fee described in paragraph (2), equal to half of such 5 percent savings; and

(B) a performance fee described in paragraph (3), equal to half of such 5 percent savings.

(2) REPORTING FEE.—The reporting fee described in this paragraph shall be paid to participating oncology care groups intermittently, for costs associated with electronic health record maintenance, protocol adherence, and reporting of quality metrics. Such fee shall be fully refunded after annual cost reconciliation by participating oncology care groups that fail to meet the 5 percent savings target.

(3) PERFORMANCE FEE.—A performance fee described in this paragraph shall be paid after annual cost reconciliation to participating oncology care groups that meet the spending targets established by the Secretary.

(f) DEMONSTRATION PROJECT SITES.—The demonstration projects shall be open to participation by self-identified oncology care groups employing—

(1) formal, evidence-based treatment protocols applicable to patients with the selected diagnoses; and

(2)(A) full electronic health record (EHR) technology; or

(B) other data collection processes or databases approved by the Secretary.

(g) DURATION.—The Secretary shall conduct demonstration projects for the 3-year period beginning on the date that is 90 days after the date of the enactment of this Act.

(h) EVALUATION AND REPORT.—

(1) EVALUATIONS.—The Secretary shall conduct an evaluation of the demonstration projects—

(A) to assess patient outcomes for the individuals with cancer diagnoses participating in the projects as compared to such outcomes to other individuals for the same health conditions;

(B) to analyze the cost effectiveness of the projects, including an evaluation of the cost savings (if any) to the Medicare program attributable to reductions in physicians' services, hos-

pital stays, supplemental care drug costs, and part D drug costs;

(C) to determine the satisfaction of patients participating in the demonstration projects; and

(D) to evaluate other such matters as the Secretary determines is appropriate.

(2) REPORTS.—Not later than 90 days after the completion of 1 year following the commencement of the demonstration projects, and biannually thereafter, the Secretary shall submit to Congress a report on the evaluation conducted under paragraph (1) together which such recommendations for legislation or administrative action, regarding the extension, expansion, or termination of the demonstration projects, as the Secretary determines is appropriate.

(i) WAIVER AUTHORITY.—The Secretary shall waive compliance with the requirements of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) to such extent and for such period as the Secretary determines is necessary to conduct demonstration projects.

(j) FUNDING.—

(1) DEMONSTRATION PROJECTS.—

(A) IN GENERAL.—Subject to subparagraph (B) and paragraph (2), the Secretary

shall provide for the transfer, from the Federal Hospital Insurance Trust Fund under section 1817 of the Social Security Act (42 U.S.C. 1395i) and from the Federal Supplementary Insurance Trust Fund under section 1841 of such Act (42 U.S.C. 1395t), in such proportion as the Secretary determines appropriate, of such funds as are necessary for the costs of carrying out demonstration projects.

(B) BUDGET NEUTRALITY.—In conducting demonstration projects under this section, the Secretary shall ensure that the aggregate payments made by the Secretary under the Medicare program do not exceed the amount which the Secretary would have paid under the Medicare program for the provision of cancer treatment services if the demonstration projects were not implemented.

(2) EVALUATION AND REPORT.—There are authorized to be appropriated such sums as are necessary for the purpose of conducting the evaluation and submitting reports to Congress under subsection (h).

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