113TH CONGRESS
1ST SESSION

H. R. 3796

To amend title XVIII of the Social Security Act to provide for bundled payments for certain episodes of care surrounding a hospitalization, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 19, 2013

Mrs. BLACK (for herself and Mr. NEAL) 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 amend title XVIII of the Social Security Act to provide for bundled payments for certain episodes of care surrounding a hospitalization, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Comprehensive Care
5 Payment Innovation Act".

1 **SEC. 2. PERMANENT, NATIONAL VOLUNTARY PAYMENT**
2 **BUNDLING.**

3 Title XVIII of the Social Security Act is amended by
4 inserting after section 1866E (42 U.S.C. 1395cc–5) the
5 following new section:

6 "NATIONAL VOLUNTARY PAYMENT BUNDLING

7 "SEC. 1866F. (a) ESTABLISHMENT AND IMPLEMEN-
8 TATION.—

9 "(1) IN GENERAL.—The Secretary shall provide
10 for bundled payments under this section for inte-
11 grated care furnished by a qualified entity during an
12 episode of care to an applicable beneficiary for appli-
13 cable conditions involving a hospitalization.

14 "(2) DEADLINE.—The Secretary shall imple-
15 ment this section not later than January 1, 2015.

16 "(3) APPLICABLE BENEFICIARY DEFINED.—In
17 this section, the term 'applicable beneficiary' means
18 an individual who is entitled to, or enrolled for, ben-
19 efits under part A and enrolled for benefits under
20 part B, but not enrolled under part C or in a PACE
21 program under section 1894, and who is admitted to
22 a hospital for an applicable condition.

23 "(b) QUALIFIED ENTITY AND APPLICATION PROC-
24 ESS.—

25 "(1) DEFINITIONS.—In this section:

1 "(A) IN GENERAL.—The term 'qualified
2 entity' means a qualified applicant that has an
3 application approved by the Secretary to receive
4 bundled payments for furnishing applicable
5 services to applicable individuals under this sec-
6 tion.

7 "(B) QUALIFIED APPLICANT.—The term
8 'qualified applicant' means a corporation, part-
9 nership, or limited liability company, that is au-
10 thorized in writing by a group of providers of
11 services and suppliers, including at least a hos-
12 pital, that are otherwise participating under
13 this title to act as their agent for the purpose
14 of receiving and distributing bundled payments
15 on their behalf under this section. A qualified
16 applicant may (but is not required to) be a pro-
17 vider of services or supplier that is otherwise
18 participating under this title.

19 "(2) APPLICATION.—

20 "(A) IN GENERAL.—A qualified applicant
21 may submit to the Secretary an application to
22 become a qualified entity to receive bundled
23 payments under this section.

1 "(B) CONTENTS.—An application under
2 subparagraph (A) with respect to a group of
3 providers of services and suppliers—
4 "(i) shall contain such information
5 and assurances as the Secretary may speci-
6 fy, including with respect to the require-
7 ments under subsection (c)(1); and
8 "(ii) shall indicate the applicable con-
9 ditions with respect to which the group
10 seeks to furnish applicable services during
11 the episode of care involved and the bun-
12 dled payment methodology under sub-
13 section (g) or (h) under which the group
14 would be paid for such services.
15 "(3) CHOICE AMONG APPLICABLE CONDI-
16 TIONS.—A qualified entity may select one or more
17 applicable conditions for bundled payments under
18 this section. Nothing in this section shall be con-
19 strued as requiring, or authorizing the Secretary to
20 require, a qualified entity to select any particular ap-
21 plicable condition under this section.
22 "(4) EXPEDITED APPLICATION PROCESS FOR
23 QUALIFIED APPLICANTS SUCCESSFULLY PARTICI-
24 PATING IN THE CMI BUNDLED PAYMENT DEM-
25 ONSTRATION.—In the case of any qualified applicant

1 that the Secretary determines has successfully par-
2 ticipated in any of the payment and service delivery
3 models tested by the Center for Medicare and Med-
4 icaid Innovation under section 1115A through the
5 Bundled Payments for Care Improvement (BPCI)
6 Initiative, the Secretary shall provide for an expe-
7 dited application process under this subsection.
8 ''(c) REQUIREMENTS FOR QUALIFIED ENTITIES.—
9 ''(1) REQUIREMENTS.—
10 ''(A) IN GENERAL.—The Secretary shall
11 develop requirements for qualified entities to re-
12 ceive bundled payments for furnishing applica-
13 ble services for applicable conditions during an
14 episode of care under this section.
15 ''(B) AGREEMENT PERIOD.—Under such
16 requirements, a qualified entity shall agree to
17 receive bundled payments for the furnishing of
18 such services for a 5-year period (each such
19 year in such period referred to in this section
20 as an 'agreement year').
21 ''(C) BENEFICIARY TRANSPARENCY.—Such
22 requirements shall ensure transparency between
23 a qualified entity and applicable beneficiaries
24 such that notice is provided to an applicable
25 beneficiary sufficiently in advance, to the extent

1 practicable, of the beneficiary's inpatient admis-
2 sion for the applicable condition and episode of
3 care involved. Such a notice shall include—
4 "(i) appropriate notice of bundled
5 payments for the applicable condition for
6 the episode of care involved; and
7 "(ii) a statement informing the bene-
8 ficiary of the beneficiary's right to select
9 the providers of services and suppliers fur-
10 nishing items and services related to the
11 episode of care.
12 "(D) METHODOLOGY AND MEASURES FOR
13 QUALITY AND EFFICIENCY ARRANGEMENTS.—
14 Insofar as a qualified entity uses or seeks to
15 implement a quality and efficiency arrangement
16 under subsection (i), the qualified entity shall
17 specify in the application to the Secretary in de-
18 tail the methodology for allocating savings
19 under the arrangement and the specific meas-
20 ures to be used to assess the quality of care
21 under the arrangement.
22 "(2) PROVISION OF DATA BY SECRETARY.—
23 "(A) CLAIMS DATA.—The Secretary shall
24 furnish to a group of providers of services and
25 suppliers interested in submitting an applica-

1 tion under subsection (b)(2) claims data under
2 parts A and B, including complete claims files,
3 for applicable conditions relating to the pro-
4 viders and suppliers in the group that are suffi-
5 ciently specific to permit such group to deter-
6 mine whether to submit such application. Such
7 claims data shall also be furnished to a quali-
8 fied entity monthly during the agreement period
9 described in paragraph (1)(B) of any approved
10 application with respect to an applicable condi-
11 tion.

12 ''(B) QUALITY DATA.—The Secretary shall
13 furnish to a qualified entity data on quality
14 measures with respect to any applicable condi-
15 tion under an approved application during the
16 agreement period for the entity for each episode
17 of care and across the continuum of care.

18 ''(d) APPLICABLE CONDITIONS.—

19 ''(1) INITIAL CONDITIONS.—In this section, the
20 term 'applicable condition' means any of the fol-
21 lowing procedures furnished as part of inpatient hos-
22 pital services:

23 ''(A) Hip/Knee joint replacement.

24 ''(B) Lumbar spine fusion.

25 ''(C) Coronary artery bypass graft.

1 "(D) Heart valve replacement.
2 "(E) Percutaneous coronary intervention
3 with stent.
4 "(F) Colon resection.
5 "(2) DISCRETION TO ADD CONDITIONS.—Such
6 term also includes such additional procedures or
7 conditions as the Secretary may select. In selecting
8 such procedures or conditions, the Secretary may
9 take into consideration the factors described in sec-
10 tion 1866D(a)(2)(B).
11 "(e) APPLICABLE SERVICES; EPISODE OF CARE.—In
12 this section:
13 "(1) APPLICABLE SERVICES.—The term 'appli-
14 cable services' means the following items and serv-
15 ices:
16 "(A) Acute care inpatient services.
17 "(B) Physicians' services delivered in and
18 outside of an acute care hospital setting.
19 "(C) Outpatient hospital services.
20 "(D) Post-acute care services, including
21 home health services, skilled nursing services,
22 inpatient rehabilitation services, and inpatient
23 hospital services furnished by a long-term care
24 hospital.

1 ‘‘(E) Other services the Secretary deter-
2 mines appropriate.
3 ‘‘(2) EPISODE OF CARE.—
4 ‘‘(A) IN GENERAL.—Subject to subpara-
5 graph (B), the term ‘episode of care’ means,
6 with respect to an applicable condition and an
7 applicable beneficiary, the period consisting
8 of—
9 ‘‘(i) the 3 days prior to the admission
10 of the applicable beneficiary to a hospital
11 with respect to the applicable condition;
12 ‘‘(ii) the duration of the applicable
13 beneficiary’s initial inpatient stay in such
14 hospital for the applicable condition; and
15 ‘‘(iii) the 90 days following the dis-
16 charge of the applicable beneficiary from
17 such hospital.
18 ‘‘(B) ESTABLISHMENT OF PERIOD BY THE
19 SECRETARY.—The Secretary, as appropriate,
20 may establish a period (other than the period
21 described in subparagraph (A)) for an episode
22 of care under this section based on data anal-
23 yses.
24 ‘‘(3) DISCHARGING HOSPITAL.—The term ‘dis-
25 charging hospital’ means, with respect to applicable

1 services in an episode of care, the hospital referred
2 to in paragraph (2)(A).
3 "(f) BUNDLED PAYMENT DEVELOPMENT.—
4 "(1) IN GENERAL.—Subject to the succeeding
5 provisions of this subsection, the Secretary shall de-
6 velop bundled payments for qualified entities. A bun-
7 dled payment shall provide for comprehensive pay-
8 ment for the costs of applicable services furnished to
9 an applicable beneficiary during an episode of care
10 for an applicable condition, including readmissions
11 related to the applicable condition but excluding un-
12 related readmissions, under either a fee-for-service
13 model with shared savings and losses (under sub-
14 section (g)) or under a prospective payment model
15 for advanced qualified entities (under subsection
16 (h)). Bundled payments shall be based on the spend-
17 ing targets computed under paragraph (2).
18 "(2) COMPUTATION OF SPENDING TARGETS.—
19 "(A) IN GENERAL.—The Secretary shall
20 compute under this paragraph, for each quali-
21 fied entity for each applicable condition for an
22 episode of care beginning in an agreement year
23 (beginning with 2015) that is attributable to a
24 discharging hospital, a spending target equal to

1 the updated amount computed under subparagraph (C) for that entity, episode, and year.

3 ‘‘(B) INITIAL WEIGHTED AVERAGE CALCULATION FOR DISCHARGING HOSPITALS.—

5 ‘‘(i) IN GENERAL.—Using fee-for-service claims data from the base period (as defined in subparagraph (D)), subject to clause (ii), the Secretary shall first calculate a base average spending target for each applicable condition for each discharging hospital equal to a weighted average of spending under parts A and B for all applicable services for such applicable condition associated with initial admissions to such hospital computed as the sum of the following (with respect to such hospital):

18 ‘‘(I) 60 percent of the standardized spending per episode in the most recent year in the base period.

21 ‘‘(II) 30 percent of the standardized spending per episode in the previous year.

1 "(III) 10 percent of the stand-
2 ardized spending per episode in the
3 second previous year.
4 "(ii) EXCLUSION OF OUTLIERS AND
5 STANDARDIZATION.—In calculating the
6 amount of the base average spending tar-
7 get for an applicable condition under
8 clause (i) for a discharging hospital, the
9 Secretary shall—
10 "(I) exclude from the calculation
11 payments for episodes of care for the
12 applicable condition that exceed the
13 95th percentile of all such spending
14 for such episodes of care and applica-
15 ble condition, as estimated by the Sec-
16 retary, based on the most recent data
17 available; and
18 "(II) standardize the spending
19 made in each year in the base period
20 to each provider of service or supplier
21 to remove the spending adjustments
22 in effect in such year relating to pro-
23 vider or supplier location (such as
24 area wage indices) and provider type
25 (such as indirect medical education

1 adjustments and disproportionate
2 share hospital adjustments).
3 "(C) TRENDING THE SPENDING TARGETS
4 BASED ON NATIONAL GROWTH RATES TO
5 AGREEMENT YEAR; PERIODIC REBASING FOR
6 NEW AGREEMENT PERIODS.—
7 "(i) IN GENERAL.—The Secretary
8 shall update the base average spending tar-
9 gets for all discharging hospitals under
10 subparagraph (B) for each applicable con-
11 dition and agreement year based on trends
12 in the national fee-for-service claims data
13 for applicable services furnished during an
14 episode of care for an applicable condition
15 from the base period to the agreement year
16 involved. Such update shall not vary by
17 discharging hospital.
18 "(ii) PERIODIC REBASING FOR NEW
19 AGREEMENT PERIODS.—At the start of
20 each new agreement period, the Secretary
21 shall update the base period and calculate
22 new spending targets under the previous
23 provisions of this paragraph for a dis-
24 charging hospital and applicable condi-
25 tions, including providing for adjustments

1 by provider location and provider type of
2 the type described in subparagraph
3 (B)(ii)(II).
4 "(D) BASE PERIOD DEFINED.—In this
5 paragraph, except as provided in subparagraph
6 (C)(ii), the term 'base period' means the most
7 recent 3-year period for which complete data
8 are available to carry out this subsection.
9 "(g) FEE-FOR-SERVICE BUNDLED PAYMENT MODEL
10 WITH SHARED SAVINGS AND SHARED LOSSES.—
11 "(1) FEE-FOR-SERVICE-BASED PAYMENT.—If
12 the payment model under this subsection is selected
13 by a qualified entity, the Secretary shall pay pro-
14 viders of services and suppliers of the entity for ap-
15 plicable services for an applicable condition during
16 an episode of care amounts payable under parts A
17 and B for such services in the same manner as such
18 providers and suppliers would otherwise be paid
19 under such parts (referred to in this subsection as
20 'fee-for-service payments').
21 "(2) SHARED SAVINGS AND LOSSES.—
22 "(A) COMPUTATION OF EACH QUALIFIED
23 ENTITY'S ACTUAL STANDARDIZED AVERAGE
24 SPENDING PER EPISODE OF CARE.—In applying
25 this subsection, in calculating the actual stand-

1 ardized average fee-for-service spending per epi-
2 sode of care for a discharging hospital for each
3 applicable condition in each agreement year, the
4 Secretary shall exclude outlier episodes of care
5 described in subsection (f)(2)(B)(ii)(I), as esti-
6 mated by the Secretary, based on data applica-
7 ble to payments in the agreement year and shall
8 standardize such spending per episode of care
9 in the manner provided in subsection
10 (f)(2)(B)(ii)(II). For the purpose of identifying
11 outlier episodes of care for each applicable con-
12 dition, the percentile ranking of each episode of
13 care and applicable condition and the 95th per-
14 centile shall be based on payments standardized
15 by adjustments for provider location and pro-
16 vider type of the type described in subsection
17 (f)(2)(B)(ii)(II).

18 ''(B) COMPUTATION OF GROSS SHARED
19 SAVINGS AND SHARED LOSSES FOR EACH AP-
20 PLICABLE CONDITION FOR EACH DISCHARGING
21 HOSPITAL.—For purposes of applying subpara-
22 graph (C), if actual standardized average fee-
23 for-service payments to a qualified entity for all
24 episodes of care for an applicable condition in

1 an agreement year for a discharging hospital,
2 as calculated under subparagraph (A), are—
3 "(i) less than the applicable spending
4 target under subsection (f)(2)(C) for such
5 condition, year, and hospital, there shall be
6 a gross shared savings for such applicable
7 condition, year, and hospital equal to 60
8 percent of the difference between such ac-
9 tual average payments and the spending
10 target for such condition, year, and hos-
11 pital; or
12 "(ii) greater than such applicable
13 spending target, there shall be a gross
14 shared loss for such applicable condition,
15 year, and hospital equal to 60 percent of
16 such difference.
17 "(C) RETROSPECTIVE RECONCILIATION.—
18 "(i) TOTALING GROSS SHARED SAV-
19 INGS AND LOSSES FOR ALL CONDITIONS
20 AND ALL DISCHARGING HOSPITALS FOR A
21 QUALIFIED ENTITY.—At the end of each
22 agreement year for each qualified entity,
23 for purposes of applying clauses (ii) and
24 (iii), the Secretary shall aggregate the
25 gross shared savings and the gross shared

1 losses under subparagraph (B) of such en-
2 tity for the year for all applicable condi-
3 tions and for all discharging hospitals.

4 "(ii) PAYMENT TO ENTITY OF NET
5 SAVINGS.—Subject to clause (iv) and sub-
6 section (j)(3) (relating to quality perform-
7 ance thresholds), if such aggregate gross
8 shared savings exceeds such aggregate
9 gross shared losses for a qualified entity
10 for an agreement year, the Secretary shall
11 pay to the qualified entity a lump sum
12 amount equal to such excess for such year.

13 "(iii) COLLECTION FROM ENTITY OF
14 NET LOSSES.—Subject to clause (iv), if
15 such aggregate gross shared losses exceeds
16 such aggregate gross shared savings for a
17 qualified entity for an agreement year, the
18 qualified entity shall pay to the Secretary
19 (and the Secretary shall collect from the
20 entity) a lump sum amount equal to such
21 excess for such year.

22 "(iv) CAP ON PAYMENTS.—In no case
23 shall the payment under clause (ii) or (iii)
24 with respect to a qualified entity for an
25 agreement year exceed 10 percent of the

aggregate spending target for that qualified entity for all applicable conditions and all discharging hospitals for that year.

"(h) PROSPECTIVE BUNDLED PAYMENT MODEL FOR ADVANCED QUALIFIED ENTITIES.—

"(1) IN GENERAL.—Subject to approval by the Secretary, if the payment model under this subsection is selected, a qualified entity may elect to receive a prospective bundled payment for each episode of care for each applicable condition and discharging hospital in the agreement year equal to the spending target for such episode, year, and hospital under subsection (f)(2) and the provisions of subsection (g) do not apply. Such spending target shall be adjusted, in the same manner described in subsection (g)(2)(B), in order to take into account outlier episodes of care and standardized adjustments for provider location and provider type of the type described in subsection (f)(2)(B)(ii)(II).

"(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as prohibiting a qualified entity that receives bundled payments under this subsection from participating in an accountable care organization under section 1899.

1 "(3) RELATIONSHIP TO BPCI.—The Secretary
2 may not terminate the Bundled Payments for Care
3 Improvement initiative conducted pursuant to sec-
4 tion 1115A until the prospective bundled payment
5 model is implemented under this subsection.
6 "(i) QUALITY AND EFFICIENCY ARRANGEMENTS.—
7 "(1) IN GENERAL.—Subject to subsection
8 (c)(1)(D) (relating to application requirements for
9 notice of quality and efficiency arrangements and
10 their structure) and subsection (j)(3) (relating to
11 minimum quality performance thresholds), qualified
12 entities participating in either the fee-for-service
13 bundled payment model under subsection (g) or the
14 prospective bundled payment model under subsection
15 (h) may enter into quality and efficiency arrange-
16 ments under which physicians and other health care
17 practitioners work to improve the quality and effi-
18 ciency of care under this title.
19 "(2) TYPES OF ARRANGEMENTS.—The arrange-
20 ments under paragraph (1) shall take into account
21 the utilization of the resources of providers of serv-
22 ices and suppliers and may provide for a distribution
23 of a portion of any shared savings (or internal sav-
24 ing, as the case may be) realized under this section
25 to qualifying providers and suppliers.

1 "(j) QUALITY MEASURES.—
2 "(1) SELECTION; DEVELOPMENT.—
3 "(A) SELECTION.—For each applicable
4 condition, the Secretary shall select quality
5 measures related to care provided by providers
6 of services and suppliers through qualified enti-
7 ties to which bundled payments are made under
8 this section. In selecting quality measures, to
9 the extent appropriate and practicable, the Sec-
10 retary shall choose measures that—
11 "(i) are endorsed and validated by the
12 entity with a contract under section 1890;
13 "(ii) pertain to the National Quality
14 Strategy's six priorities;
15 "(iii) are used by the Secretary under
16 other provisions of this title; and
17 "(iv) minimize the incremental data
18 extraction and reporting burden on pro-
19 viders and suppliers.
20 "(B) DEVELOPMENT OF ELECTRONICALLY
21 SPECIFIED EPISODIC MEASURES.—The Sec-
22 retary shall develop longitudinal quality and ef-
23 ficiency measures to assess performance of
24 qualified entities with respect to patient out-
25 comes and the care provided for each applicable

1 condition across the associated episodes of care.
2 Such measures shall be electronically specified
3 for submittal through the use of qualified elec-
4 tronic health records (as defined in section
5 3000(13) of the Public Health Service Act (42
6 U.S.C. 300jj(13))).
7 "(2) REPORTING ON QUALITY MEASURES.—
8 "(A) IN GENERAL.—A qualified entity
9 shall submit data to the Secretary on quality
10 measures selected under paragraph (1) for each
11 agreement year in a form and manner specified
12 by the Secretary consistent with the succeeding
13 provisions of this paragraph.
14 "(B) SUBMISSION OF DATA THROUGH
15 ELECTRONIC HEALTH RECORD.—To the extent
16 practicable, such data shall be submitted
17 through the use of a qualified electronic health
18 record (as defined in section 3000(13) of the
19 Public Health Service Act (42 U.S.C.
20 300jj(13))).
21 "(C) SUBMISSION OF DATA USED IN
22 OTHER PROGRAMS.—Insofar as quality meas-
23 ures established under paragraph (1) are the
24 same as those measures used by the Secretary
25 under other provisions of this title, such as

1 those selected under section 1886(b)(3)(B)(viii),
2 the Secretary shall use existing processes for
3 the submission of data for such measures under
4 this paragraph.
5 ''(3) QUALITY PERFORMANCE THRESHOLDS.—
6 ''(A) ESTABLISHMENT.—For each applica-
7 ble condition, the Secretary shall establish min-
8 imum quality performance thresholds for the
9 measures established under paragraph (1). In
10 the case of a quality and efficiency arrange-
11 ment, such performance thresholds shall be de-
12 veloped using the quality measures identified by
13 the qualified entity in its application under sub-
14 section (c)(1)(D) if approved by the Secretary.
15 ''(B) LOSS OF SHARED SAVINGS PAYMENT
16 AND QUALITY AND EFFICIENCY ARRANGEMENTS
17 FOR FAILURE TO MEET MINIMUM QUALITY PER-
18 FORMANCE THRESHOLDS.—If a qualified entity
19 fails to meet the minimum quality performance
20 thresholds established under subparagraph (A)
21 for an agreement year—
22 ''(i) no payment may be made to the
23 entity under subsection (g)(2)(C)(ii) with
24 respect to that year; and

1 "(ii) the entity may not implement
2 any quality and efficiency arrangement
3 under subsection (i) for that year.
4 "(k) WAIVERS.—
5 "(1) IN GENERAL.—The Secretary shall waive
6 such provisions of this title and title XI as may be
7 necessary to carry out the program, including the
8 following:
9 "(A) With respect to authorizing quality
10 and efficiency arrangements between qualified
11 entities and providers of services and suppliers,
12 section 1877(a) (relating to physician self-refer-
13 ral), paragraphs (1) and (2) of sections
14 1128A(b) (relating to the gainsharing civil
15 money penalties), and paragraphs (1) and (2)
16 of section 1128B(b) (relating to the anti-kick-
17 back statute).
18 "(B) Section 1128A(a)(5) of the Act (re-
19 lating to the inducement civil money penalties).
20 "(C) Section 1861(i) (relating to the 3-day
21 acute hospitalization prerequisite before eligi-
22 bility for post-hospital extended care services).
23 "(D) With respect to home health serv-
24 ices—

"(i) sections 1814(a)(2)(C) and 1835(a)(2)(A) (relating to the requirement that an individual be confined to home in order to be eligible for benefits for home health services);

"(ii) limitations on the amount, frequency, and duration on home health services; and

"(iii) prohibitions of free preoperative home safety assessments by home health agencies for patients scheduled to undergo surgery (such as under Advisory Opinion No. 06–01 of the Inspector General of the Department of Health and Human Services).

"(2) AUTHORITY TO MODIFY WAIVERS UNDER CERTAIN CIRCUMSTANCES.—

"(A) IN GENERAL.—In the case of a qualified entity with respect to which one or more waivers under paragraph (1) is in effect, if upon a review of the performance or an audit of the entity the Secretary finds a pattern of deficiencies or harm to applicable beneficiaries, the Secretary may modify or revoke any such

1 waiver at any time as applied to that qualified
2 entity.
3 "(B) TERMINATION OF CERTAIN WAIVERS
4 IN THE CASE OF EXCESS SHARED LOSSES.—
5 "(i) IN GENERAL.—Subject to the
6 process described in clause (ii), in the case
7 of a qualified entity that has selected the
8 payment model under subsection (g) and
9 has gross shared losses exceeding the cap
10 under subsection (g)(2)(C)(iv) with respect
11 to an applicable condition, the Secretary
12 shall terminate waivers described in para-
13 graphs (1)(C) and (1)(D) with respect to
14 such qualified entity and applicable condi-
15 tion.
16 "(ii) PRE-TERMINATION NOTICE.—
17 The Secretary shall establish a process
18 whereby a qualified entity is furnished no-
19 tice of any deficiency that may give rise to
20 a termination of waivers under clause (i)
21 not later than 6 months before the pro-
22 posed effective date of the termination.
23 "(l) INDEPENDENT EVALUATION AND REPORTS ON
24 PROGRAM.—

1 "(1) INDEPENDENT EVALUATION.—The Sec-
2 retary shall conduct an independent evaluation of
3 the impact of providing bundled payments to quali-
4 fied entities under this section. Such evaluation shall
5 include an examination of the extent to which the
6 bundling of payments this section have resulted in—
7 "(A) improved health outcomes;
8 "(B) improved access to care for applicable
9 beneficiaries;
10 "(C) reduced spending under this title; and
11 "(D) improvement in performance on qual-
12 ity measures selected under subsection
13 (j)(1)(A).
14 "(2) REPORTS.—
15 "(A) INTERIM REPORT.—Not later than
16 March 1, 2018, the Secretary shall submit to
17 Congress a report on the initial results of the
18 independent evaluation conducted under para-
19 graph (1).
20 "(B) FINAL REPORT.—Not later than
21 March 1, 2020, the Secretary shall submit to
22 Congress a report on the final results of the
23 independent evaluation conducted under para-
24 graph (1) and may include recommendations
25 for the expansion of bundled payment meth-

1 odologies and applicable conditions under this
2 section as the Secretary determines to be appro-
3 priate.''.

○