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114TH CONGRESS
1ST SESSION

H. R. 1343

To amend title XVIII of the Social Security Act to adjust the Medicare hospital readmission reduction program to respond to patient disparities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 2015

Mr. RENACCI (for himself, Mr. ENGEL, Mr. KILMER, Mr. DOLD, Mr. AMODEI, and Mrs. BROOKS of Indiana) introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend title XVIII of the Social Security Act to adjust the Medicare hospital readmission reduction program to respond to patient disparities, and for other purposes.

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 ''Establishing Beneficiary Equity in the Hospital Readmission Program Act of 2015''.

SEC. 2. ESTABLISHING BENEFICIARY EQUITY IN THE MEDICARE HOSPITAL READMISSION PROGRAM.

(a) TRANSITIONAL ADJUSTMENT FOR DUAL ELIGIBLE POPULATION AND SOCIOECONOMIC STATUS.—Section 1886(q)(4)(C) of the Social Security Act (42 U.S.C. 1395ww(q)(4)(C)) is amended by adding at the end the following new clause:

"(iii) TRANSITIONAL ADJUSTMENT FOR DUAL ELIGIBLES AND SOCIOECONOMIC STATUS.—

"(I) IN GENERAL.—In determining a hospital's excess readmission ratio under clause (i) for purposes of making payments for discharges occurring during fiscal years 2016 and 2017, and before the initial application of clause (iv), and in order to ensure that hospitals that treat the most vulnerable populations are not unfairly penalized by the program under this subsection, the Secretary shall provide for such risk adjustment as will take into account both a hospital's proportion of inpatients who are full-benefit dual eligible individuals (as defined in section 1935(c)(6))

and the socioeconomic status of the patients served by the hospital.

"(II) QUANTITATIVE METHOD.—For purposes of applying subclause (I)(bb), the Secretary, to the maximum extent practicable, shall utilize the most recent data available from the Bureau of the Census in order to develop a quantitative method to adjust for socioeconomic status. In developing such quantitative method, the Secretary—

"(aa) shall, to the maximum extent practicable, use inputs that address at least income, education level, or poverty rate; and

"(bb) may include inputs that address other socioeconomic and sociodemographic factors determined appropriate by the Secretary.

"(III) PATIENTS SERVED BY THE HOSPITAL.—For purposes of subclause (I)(bb), the Secretary shall, to

the maximum extent practicable, measure the socioeconomic status for all patients served by each hospital. The Secretary may supplement incomplete or inaccessible patient-level data with data related to the geographic region of the patients served by the hospital.

"(IV) MINIMIZING REPORTING BURDEN ON HOSPITALS.—In carrying out this clause, the Secretary shall not impose any additional reporting requirements on hospitals.".

(b) SUBSEQUENT ADJUSTMENTS BASED ON IMPACT AND MEDPAC REPORTS.—Section 1886(q)(4)(C) of the Social Security Act (42 U.S.C. 1395ww(q)(4)(C)) is further amended by adding at the end the following new clause:

"(iv) RISK ADJUSTMENTS UNDER READMISSION PROGRAM BASED ON IMPACT AND MEDPAC REPORTS.—In making recommendations under subparagraph (D) of section 2(d)(1) of the IMPACT Act of 2014 (Public Law 113–185; 42 U.S.C. 1395lll note) with respect to the applica-

tion of risk adjustment under this subsection, the Secretary is required to base such risk adjustment on the reports submitted under subparagraphs (A)(ii) and (B)(ii) of such section as well as on the report submitted by the Medicare Payment Advisory Commission under section 2(c) of the Establishing Beneficiary Equity in the Hospital Readmission Program Act of 2015. The Administrator of the Centers for Medicare & Medicaid Services shall incorporate such recommendations in carrying out risk adjustment under this subsection for discharges occurring in fiscal years after fiscal year 2017 in order to ensure that hospitals that treat the most vulnerable populations are not unfairly penalized by the program under this subsection. For fiscal years beginning more than 5 years after the date of submission of the report under section 2(d)(1)(B)(ii) of the IMPACT Act of 2014, the Secretary may use alternative adjustment mechanisms under this subsection to account for socioeconomic factors if the Secretary finds that

such measures are better at accounting for socioeconomic factors than the mechanisms that would otherwise apply.''.

(c) MEDPAC STUDY ON 30-DAY READMISSION THRESHOLD.—The Medicare Payment Advisory Commission shall conduct a study on the appropriateness of using a threshold of 30 days for readmissions under section 1886(q)(5)(E) of the Social Security Act (42 U.S.C. 1395ww(q)(5)(E)). The Commission shall submit to Congress a report on such study in its report to Congress in June 2016.

(d) ADDRESSING ISSUE OF NONCOMPLIANT PATIENTS.—Section 1886(q)(4)(C) of the Social Security Act (42 U.S.C. 1395ww(q)(4)(C)), as amended by subsections (b) and (c), is further amended by adding at the end the following new clause:

''(v) CONSIDERATION OF EXCLUSION OF NONCOMPLIANT PATIENT CASES BASED ON V OR OTHER APPROPRIATE CODES.—In promulgating regulations to carry out this subsection for the applicable period with respect to fiscal year 2017, the Secretary shall consider the use of V or other ICD-related codes for potential exclusions of

cases in order to address the issue of non-compliant patients.''.

(e) EXCLUDING CERTAIN CLINICAL CONDITIONS.—

(1) STUDY.—

(A) IN GENERAL.—The Secretary of Health and Human Services shall conduct a study, consistent with this paragraph, that assesses and makes recommendations with respect to excluding patients whose clinical conditions or diagnoses may require frequent hospitalizations, from the calculation of excess readmissions under section 1886(q)(5)(E) of the Social Security Act (42 U.S.C. 1395ww(q)(5)(E)).

(B) USE OF A TECHNICAL EXPERT PANEL.—The Secretary shall convene a multi-stakeholder technical expert panel comprised of individuals knowledgeable about clinical care of hospitalized patients and quality measurement, to provide input and recommendations on the study conducted under this paragraph.

(C) CLINICAL CONDITIONS TO BE CONSIDERED.—In conducting the study, the Secretary shall consider exclusions for patients with transplants, burns, psychosis, and substance abuse disorders. The Secretary may include ad-

ditional clinical conditions where appropriate care may require frequent hospitalizations.

(D) TRANSPARENCY.—The Secretary shall make a draft of report on such study available for public comment for a period of not less than 30 days. The final study and recommendations shall address the Secretary's response to public comments.

(E) DEADLINE.—The Secretary shall submit a final report on the study to Congress no later than Oct. 1, 2016. Such final report shall include recommendations regarding the relevant clinical conditions that should be excluded from the calculation of excess readmissions described in subparagraph (A).

(2) APPLICATION TO CALCULATION OF EXCESS READMISSIONS.—Beginning with fiscal year 2018, the Secretary shall exclude any relevant clinical conditions identified in the recommendations made in the final report under paragraph (1)(E) in determining a hospital's publicly reported readmission rate and excess readmissions ratio under section 1886(q)(4)(C) of the Social Security Act (42 U.S.C. 1395ww(q)(4)(C)). The Secretary also is encouraged to consider applying the exclusions so identified to

other Medicare public reporting and pay-for-performance programs in which readmission measures are used.

(f) BUDGET NEUTRAL IMPLEMENTATION.—The Secretary of Health and Human Services shall make such payment adjustment to subsection (d) hospitals under the inpatient prospective payment system under section 1886 of the Social Security Act (42 U.S.C. 1395ww) as may be necessary to ensure that the implementation of the this section (including the amendments made by this section) does not result in an increase in aggregate expenditures under such section 1886.

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