

115TH CONGRESS  
1ST SESSION

# H. R. 2048

To amend title XIX of the Social Security Act to incentivize the development of community-based interventions to reduce health disparities among certain populations, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 2017

Mr. BEN RAY LUJÁN of New Mexico introduced the following bill; which was referred to the Committee on Energy and Commerce

---

## A BILL

To amend title XIX of the Social Security Act to incentivize the development of community-based interventions to reduce health disparities among certain populations, 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 referred to as the “Eliminating  
5 Health Disparities Act of 2017”.

1 **SEC. 2. HEALTH DISPARITIES ELIMINATION STATE PLAN**  
2 **OPTION.**

3 Title XIX of the Social Security Act (42 U.S.C. 1396  
4 et seq.) is amended by adding at the end the following:

5 **“SEC. 1947. HEALTH DISPARITIES ELIMINATION PROGRAM**  
6 **STATE PLAN OPTION.**

7 “(a) IN GENERAL.—Notwithstanding section  
8 1902(a)(1) (relating to statewideness), section  
9 1902(a)(10)(B) (relating to comparability), and any other  
10 provision of this title that the Secretary determines is nec-  
11 essary to waive in order to implement this section, begin-  
12 ning fiscal year 2018, a State, at its option as a State  
13 plan amendment, may establish a Health Disparities  
14 Elimination Program for purposes of reducing health dis-  
15 parities among targeted populations in communities  
16 served by qualified community health systems under which  
17 the State provides incentive payments to qualified commu-  
18 nity health systems for initiatives approved under sub-  
19 section (c), if the State meets the requirements specified  
20 in subsection (c).

21 “(b) STATE PLAN AMENDMENT.—Each State seek-  
22 ing a State plan amendment under this section shall sub-  
23 mit such amendment to the Secretary for approval. The  
24 Secretary shall approve any such amendment that meets  
25 the requirements of subsection (c) and includes—

1           “(1) State goals for reducing health disparities  
2 through the Health Disparities Elimination Program  
3 to be established by the State;

4           “(2) any requirements for the development and  
5 approval of action plans described in subsection  
6 (c)(1);

7           “(3) eligibility criteria for any qualified commu-  
8 nity health system seeking to establish a health dis-  
9 parities elimination initiative (in this section referred  
10 to as an ‘initiative’) pursuant to this section;

11           “(4) the methodology for determining the  
12 amount of incentive payments to be made to a quali-  
13 fied community health system through an initiative,  
14 based on the size of the target population to be  
15 served through the initiative and the potential of the  
16 initiative for reducing health disparities; and

17           “(5) the period during which initiatives may be  
18 implemented, in accordance with subsection (c)(3).

19           “(c) STATE REQUIREMENTS.—The requirements  
20 specified in this subsection with respect to a State are the  
21 following:

22           “(1) HEALTH SYSTEM ACTION PLAN.—The  
23 State shall require that a qualified community  
24 health system submit an action plan for an initiative  
25 to the State agency with responsibility for admin-

1       istering the State plan under this title for approval  
2       that identifies—

3               “(A) the target population or populations  
4               to be served by the initiative;

5               “(B) specific, evidence-based projects that  
6               the system will undertake through the initiative  
7               to reduce health disparities for such population  
8               or populations;

9               “(C) targets and benchmarks associated  
10              with such projects that must be met in order to  
11              receive incentive payments pursuant to this sec-  
12              tion;

13              “(D) measures for evaluating the effective-  
14              ness of the initiative in reducing health dispari-  
15              ties with respect to the goals established by the  
16              State pursuant to subsection (b)(1); and

17              “(E) the amount of any proposed initial in-  
18              centive payments to be made pursuant to this  
19              section to support startup costs of the initiative.

20              “(2) PRIORITY IN SELECTION OF HEALTH SYS-  
21              TEMS FOR PARTICIPATION.—In selecting qualified  
22              community health systems to establish an initiative  
23              under a State plan amendment approved under this  
24              section, the State shall give priority to health sys-  
25              tems—

1           “(A) that have submitted action plans  
2           (under paragraph (1)) that include the use of  
3           evidence-based interventions shown to reduce or  
4           eliminate health disparities;

5           “(B) that demonstrate the potential to  
6           have a high impact in the elimination of health  
7           disparities, improved health care access, im-  
8           proved health outcomes, or health care savings  
9           compared to the total incentive funding re-  
10          quested;

11          “(C) that have prior experience working on  
12          projects with the goal of reducing health dis-  
13          parities;

14          “(D) that demonstrate long-term commit-  
15          ment to providing health services to the target  
16          population or populations; and

17          “(E) with a demonstrated need for addi-  
18          tional financial resources in order to strengthen  
19          and advance existing efforts of the health sys-  
20          tem to reduce health disparities.

21          “(3) DURATION OF ACTION PLAN.—

22          “(A) IN GENERAL.—The State may not  
23          approve an action plan submitted under para-  
24          graph (1) for a period exceeding 5 years.

1           “(B) REPORT.—At the end of any such pe-  
2           riod, the State shall require each participating  
3           qualified community health system to submit a  
4           report to the State describing the effectiveness  
5           of its initiative using the measures described in  
6           paragraph (1)(D).

7           “(C) EXTENSION.—A State may extend  
8           the initiative of such health system upon ap-  
9           proval of a new action plan to extend, improve,  
10          or expand the initiative, if the State determines  
11          that the initiative has proved effective, taking  
12          into account the report submitted under sub-  
13          paragraph (B).

14          “(d) STATE REPORT AND EVALUATION.—

15                 “(1) IN GENERAL.—A State with a State plan  
16                 amendment approved under this section shall submit  
17                 to the Secretary, in a time and manner to be speci-  
18                 fied by the Secretary—

19                         “(A) an annual report on the progress of  
20                         the Health Disparities Elimination Program of  
21                         the State towards meeting the goals of the  
22                         State described under subsection (b)(1); and

23                         “(B) not less than once every 5 years, an  
24                         evaluation of the effectiveness of the Health  
25                         Disparities Elimination Program of the State.

1           “(2) CONTENTS.—The evaluation described in  
2 paragraph (1)(B) shall include—

3           “(A) an assessment of the effectiveness of  
4 initiatives receiving incentive payments pursu-  
5 ant to this section during the period covered by  
6 the report in meeting the goals of the State de-  
7 scribed under subsection (b)(1); and

8           “(B) a description of the activities of such  
9 initiatives.

10          “(3) PUBLICATION.—The Secretary shall pub-  
11 lish on the public Web site of the Centers for Medi-  
12 care & Medicaid Services each evaluation submitted  
13 under paragraph (1)(B).

14          “(e) FUNDING.—

15           “(1) STATE FUNDING.—

16           “(A) IN GENERAL.—For the purpose of  
17 making allocations to States under subpara-  
18 graph (C), there is appropriated for fiscal year  
19 2018 and each subsequent fiscal year, out of  
20 any money in the Treasury not otherwise ap-  
21 propriated, an amount equal to one half of one  
22 percent of the total of the Federal share of ex-  
23 penditures with respect to all State plans under  
24 this title in the most recent fiscal year for  
25 which complete expenditure data is available.

1           “(B) INCENTIVE PAYMENT FUND.—The  
2 Secretary shall deposit all funds appropriated  
3 under subparagraph (A) into an incentive pay-  
4 ment fund. Such funds shall remain available  
5 until expended.

6           “(C) ALLOCATION AMONG STATES.—Of  
7 the total amount appropriated for this section  
8 for a fiscal year, the Secretary shall, except as  
9 provided in subparagraph (D), allocate for such  
10 fiscal year to each State an amount in propor-  
11 tion to the ratio of—

12                   “(i) the State’s total expenditures  
13 under the State plan under this title in the  
14 most recent fiscal year for which complete  
15 expenditure data is available; to

16                   “(ii) the sum of all States’ total ex-  
17 penditures under all State plans under this  
18 title in the fiscal year described in clause  
19 (i).

20           “(D) FUNDS NOT USED BY THE STATE.—  
21 If the Secretary determines, on the basis of in-  
22 formation available on the first day of a fiscal  
23 year, that any allocation under subparagraph  
24 (C) to a State for such fiscal year will not be  
25 required because a State does not have a State



1 plan amendment approved under subsection (b)  
2 for such fiscal year, then such State's allocation  
3 shall be treated as an unused allocation for  
4 such fiscal year and re-allocated in accordance  
5 with subparagraph (E)(i).

6 “(E) QUALIFYING STATES.—

7 “(i) RE-ALLOCATION TO QUALIFYING  
8 STATES.—In addition to the allocation  
9 available to a State under subparagraph  
10 (C), the Secretary shall allocate to each  
11 qualifying State for a fiscal year, out of  
12 the sum of unused allocations, as described  
13 in subparagraph (D), for such fiscal year,  
14 an amount in proportion to the ratio of—

15 “(I) each such State's total ex-  
16 penditures under the State plan under  
17 this title in the most recent fiscal year  
18 for which complete expenditure data is  
19 available; to

20 “(II) the sum of all such States'  
21 total expenditures under all State  
22 plans of such States under this title in  
23 the fiscal year described in subclause  
24 (I).

1           “(ii) AVAILABILITY OF FUNDS.—Allo-  
2 cations made to a qualifying State under  
3 clause (i) and subparagraph (C) shall re-  
4 main available until expended.

5           “(iii) DEFINITIONS.—In this section,  
6 the term ‘qualifying State’ means a State  
7 with a State plan amendment approved  
8 under this section that—

9           “(I) has in effect an agreement  
10 with one or more qualified community  
11 health system initiatives; and

12           “(II) in any fiscal year other  
13 than the first fiscal year for which  
14 such State receives an allocation  
15 under subparagraph (C) that is not  
16 re-allocated under subparagraph (D),  
17 has a Health Disparities Elimination  
18 Program established under this sec-  
19 tion that, as determined by the Sec-  
20 retary, has made measurable progress  
21 towards meeting the State’s goals, as  
22 described under subsection (b)(1),  
23 based on reports and evaluations sub-  
24 mitted under subsection (d).

25           “(2) PAYMENTS.—

1           “(A) IN GENERAL.—Subject to the provi-  
2           sions of this section, the Secretary shall pay to  
3           each State with a State plan amendment ap-  
4           proved under this section, from its allocation  
5           under paragraph (1)(C) and, in the case of a  
6           qualifying State, from its allocation under para-  
7           graph (1)(E)(i), an amount for each quarter  
8           equal to 90 percent of the sum expended by the  
9           State in such quarter for incentive payments  
10          made to qualified community health systems for  
11          initiatives approved pursuant to this section.

12          “(B) STATUS OF INCENTIVE PAYMENTS.—  
13          Incentive payments made under a State plan  
14          amendment approved under this section shall  
15          not be considered payment for health care items  
16          or services and shall not count towards any  
17          limit with respect to the maximum amount of  
18          payments that may be made to a provider  
19          under the State plan under this title (or under  
20          a waiver of such plan).

21          “(f) DEFINITIONS.—In this section:

22                 “(1) The term ‘health disparity’ means a dis-  
23                 parity in care provided to a health disparity popu-  
24                 lation, as defined in section 903(d) of the Public  
25                 Health Service Act (42 U.S.C. 299a–1(d)).

1           “(2) The term ‘qualified community health sys-  
2           tem’ means—

3                   “(A) a hospital described in a report sub-  
4                   mitted under section 1900(b)(6)(B)(ii)(III); or

5                   “(B) an affiliated group of health care pro-  
6                   viders anchored by such hospital.

7           “(3) The term ‘State’ means each of the several  
8           States and the District of Columbia.

9           “(4) The term ‘target population’ means a pop-  
10          ulation of individuals that has empirically experi-  
11          enced disparities in health care access and quality  
12          and shall not be limited by source of coverage or  
13          lack thereof.”.

○