

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

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.

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 “Establishing Bene-
5 ficiary Equity in the Hospital Readmission Program Act
6 of 2015”.

1 **SEC. 2. ESTABLISHING BENEFICIARY EQUITY IN THE MEDI-**
2 **CARE HOSPITAL READMISSION PROGRAM.**

3 (a) TRANSITIONAL ADJUSTMENT FOR DUAL ELIGI-
4 BLE POPULATION AND SOCIOECONOMIC STATUS.—Sec-
5 tion 1886(q)(4)(C) of the Social Security Act (42 U.S.C.
6 1395ww(q)(4)(C)) is amended by adding at the end the
7 following new clause:

8 “(iii) TRANSITIONAL ADJUSTMENT
9 FOR DUAL ELIGIBLES AND SOCIOECONOMIC
10 STATUS.—

11 “(I) IN GENERAL.—In deter-
12 mining a hospital’s excess readmission
13 ratio under clause (i) for purposes of
14 making payments for discharges oc-
15 ccurring during fiscal years 2016 and
16 2017, and before the initial applica-
17 tion of clause (iv), and in order to en-
18 sure that hospitals that treat the most
19 vulnerable populations are not un-
20 fairly penalized by the program under
21 this subsection, the Secretary shall
22 provide for such risk adjustment as
23 will take into account both a hos-
24 pital’s proportion of inpatients who
25 are full-benefit dual eligible individ-
26 uals (as defined in section 1935(c)(6))

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

3 “(II) QUANTITATIVE METHOD.—

4 For purposes of applying subclause
5 (I)(bb), the Secretary, to the max-
6 imum extent practicable, shall utilize
7 the most recent data available from
8 the Bureau of the Census in order to
9 develop a quantitative method to ad-
10 just for socioeconomic status. In de-
11 veloping such quantitative method, the
12 Secretary—

13 “(aa) shall, to the maximum
14 extent practicable, use inputs
15 that address at least income,
16 education level, or poverty rate;
17 and

18 “(bb) may include inputs
19 that address other socioeconomic
20 and sociodemographic factors de-
21 termined appropriate by the Sec-
22 retary.

23 “(III) PATIENTS SERVED BY THE
24 HOSPITAL.—For purposes of sub-
25 clause (I)(bb), the Secretary shall, to

1 the maximum extent practicable,
2 measure the socioeconomic status for
3 all patients served by each hospital.
4 The Secretary may supplement incom-
5 plete or inaccessible patient-level data
6 with data related to the geographic re-
7 gion of the patients served by the hos-
8 pital.

9 “(IV) MINIMIZING REPORTING
10 BURDEN ON HOSPITALS.—In carrying
11 out this clause, the Secretary shall not
12 impose any additional reporting re-
13 quirements on hospitals.”.

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

19 “(iv) RISK ADJUSTMENTS UNDER RE-
20 ADMISSION PROGRAM BASED ON IMPACT
21 AND MEDPAC REPORTS.—In making rec-
22 ommendations under subparagraph (D) of
23 section 2(d)(1) of the IMPACT Act of
24 2014 (Public Law 113–185; 42 U.S.C.
25 1395lll note) with respect to the applica-

1 tion of risk adjustment under this sub-
2 section, the Secretary is required to base
3 such risk adjustment on the reports sub-
4 mitted under subparagraphs (A)(ii) and
5 (B)(ii) of such section as well as on the re-
6 port submitted by the Medicare Payment
7 Advisory Commission under section 2(c) of
8 the Establishing Beneficiary Equity in the
9 Hospital Readmission Program Act of
10 2015. The Administrator of the Centers
11 for Medicare & Medicaid Services shall in-
12 corporate such recommendations in car-
13 rying out risk adjustment under this sub-
14 section for discharges occurring in fiscal
15 years after fiscal year 2017 in order to en-
16 sure that hospitals that treat the most vul-
17 nerable populations are not unfairly penal-
18 ized by the program under this subsection.
19 For fiscal years beginning more than 5
20 years after the date of submission of the
21 report under section 2(d)(1)(B)(ii) of the
22 IMPACT Act of 2014, the Secretary may
23 use alternative adjustment mechanisms
24 under this subsection to account for socio-
25 economic factors if the Secretary finds that

1 such measures are better at accounting for
2 socioeconomic factors than the mechanisms
3 that would otherwise apply.”.

4 (c) MEDPAC STUDY ON 30-DAY READMISSION
5 THRESHOLD.—The Medicare Payment Advisory Commis-
6 sion shall conduct a study on the appropriateness of using
7 a threshold of 30 days for readmissions under section
8 1886(q)(5)(E) of the Social Security Act (42 U.S.C.
9 1395ww(q)(5)(E)). The Commission shall submit to Con-
10 gress a report on such study in its report to Congress in
11 June 2016.

12 (d) ADDRESSING ISSUE OF NONCOMPLIANT PA-
13 TIENTS.—Section 1886(q)(4)(C) of the Social Security
14 Act (42 U.S.C. 1395ww(q)(4)(C)), as amended by sub-
15 sections (b) and (c), is further amended by adding at the
16 end the following new clause:

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

1 cases in order to address the issue of non-
2 compliant patients.”.

3 (e) EXCLUDING CERTAIN CLINICAL CONDITIONS.—

4 (1) STUDY.—

5 (A) IN GENERAL.—The Secretary of
6 Health and Human Services shall conduct a
7 study, consistent with this paragraph, that as-
8 sesses and makes recommendations with respect
9 to excluding patients whose clinical conditions
10 or diagnoses may require frequent hospitaliza-
11 tions, from the calculation of excess readmis-
12 sions under section 1886(q)(5)(E) of the Social
13 Security Act (42 U.S.C. 1395ww(q)(5)(E)).

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

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

1 ditional clinical conditions where appropriate
2 care may require frequent hospitalizations.

3 (D) TRANSPARENCY.—The Secretary shall
4 make a draft of report on such study available
5 for public comment for a period of not less than
6 30 days. The final study and recommendations
7 shall address the Secretary’s response to public
8 comments.

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

16 (2) APPLICATION TO CALCULATION OF EXCESS
17 READMISSIONS.—Beginning with fiscal year 2018,
18 the Secretary shall exclude any relevant clinical con-
19 ditions identified in the recommendations made in
20 the final report under paragraph (1)(E) in deter-
21 mining a hospital’s publicly reported readmission
22 rate and excess readmissions ratio under section
23 1886(q)(4)(C) of the Social Security Act (42 U.S.C.
24 1395ww(q)(4)(C)). The Secretary also is encouraged
25 to consider applying the exclusions so identified to

1 other Medicare public reporting and pay-for-per-
2 formance programs in which readmission measures
3 are used.

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

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