



Section-by-Section Analysis with Changes Made by Title X and Reconciliation

Some parts of Title X (the Managers' Amendment) and the *Health Care and Education Reconciliation Act (Reconciliation Act)* made changes to provisions in Titles I – IX of the *Patient Protection and Affordable Care Act*. This section-by-section analysis includes a description of those provisions within the description of the section that was amended. Provisions of Title X and the *Health Care and Education Reconciliation Act* that did not make changes to Titles I - IX are described separately at the end of the document.

TITLE I—QUALITY, AFFORDABLE HEALTH CARE FOR ALL AMERICANS

Subtitle A—Immediate Improvements in Health Care Coverage for All Americans

Sec. 1001. Amendments to the Public Health Service Act.

Sec. 2711. No lifetime or annual limits. As amended by Section 10101, prohibits plans from establishing lifetime limits, and annual limits beginning in 2014, on the dollar value of benefits. Prior to 2014, plans may only establish restricted annual limits as defined by the Secretary of Health and Human Services (HHS), ensuring access to needed services with minimal impact on premiums.

Sec. 2712. Prohibition on rescissions. Prohibits all plans from rescinding coverage except in instances of fraud or misrepresentation.

Sec. 2713. Coverage of preventive health services. Requires all new plans to cover preventive services and immunizations recommended by the U.S. Preventive Services Task Force and the Centers for Disease Control and Prevention (CDC), certain child preventive services recommended by the Health Resources and Services Administration (HRSA), and women's preventive care and screening recommended by HRSA, without any cost-sharing.

Sec. 2714. Extension of dependent coverage. Requires all plans offering dependent coverage to allow individuals until age 26 to remain on their parents' health insurance. Section 2301 of the *Reconciliation Act* eliminates the requirement that adult children be unmarried.

Sec. 2715. Development and utilization of uniform explanation of coverage documents and standardized definitions. Requires the Secretary to develop standards for use by health insurers in compiling and providing an accurate summary of benefits and explanation of coverage for applicants, policyholders or certificate holders, and enrollees. The standards must be in a uniform format, using language that is easily understood by the average enrollee, and must include uniform definitions of standard insurance and medical terms. The

explanation must also describe any cost-sharing, exceptions, reductions, and limitations on coverage, and examples to illustrate common benefits scenarios.

Sec. 2715A. Provision of additional information. As added by Section 10101, requires all plans to disclose the information required in section 1311(e), such as claims payment policies and rating practices. Plans that are not offered through the Exchange must submit this information to the Secretary of HHS and the State insurance commissioner and make such information available to the public.

Sec. 2716. Prohibition of discrimination in favor of highly compensated individuals. Employers that provide health coverage will be prohibited from limiting eligibility for coverage to highly compensated individuals.

Sec. 2717. Ensuring quality of care. Requires the Secretary to develop guidelines for use by health insurers to report information on initiatives and programs that improve health outcomes through the use of care coordination and chronic disease management, prevent hospital readmissions and improve patient safety, and promote wellness and health. As added by Section 10101, protects Second Amendment gun rights by precluding the collection and disclosure of information related to gun ownership or use for purposes of determining premium rates.

Sec. 2718. Bringing down the cost of health care coverage. As amended by Section 10101, requires plans offering coverage in the group and individual markets (including grandfathered plans but excluding self-insured plans) to report to the Secretary the amount of premium revenues spent on clinical services, activities to improve quality, and all other non-claims costs as defined by the National Association of Insurance Commissioners and certified by the Secretary of HHS. Beginning in 2011, large group plans that spend less than 85 percent of premium revenue and small group and individual market plans that spend less than 80 percent of premium revenue on clinical services and quality must provide a rebate to enrollees. In addition, each hospital operating within the United States shall publish a list of standard charges for items and services provided by the hospital.

Sec. 2719. Appeals process. As amended by Section 10101, requires new plans to implement an effective internal appeals process of coverage determinations and claims and comply with any applicable State external review process. If the State has not established an external review process or the plan is self-insured, the plan shall implement an external review process that meets minimum standards established by the Secretary. The Secretary may deem the external review process of a plan in operation as of enactment to be in compliance with this section.

Sec. 2719A. Patient protections. As added by Section 10101, requires that a plan enrollee be allowed to select their primary care provider, or pediatrician in the case of a child, from any available participating primary care provider. Precludes the need for prior authorization or increased cost-sharing for emergency services, whether provided by in-network or out-of-network providers. Plans are precluded from requiring authorization or referral by the plan

for a patient who seeks coverage for obstetrical or gynecological care by a specialist in these areas.

Sec. 1002. Health insurance consumer information. The Secretary shall award grants to States to enable them (or the Exchange) to establish, expand, or provide support for offices of health insurance consumer assistance or health insurance ombudsman programs. These independent offices will assist consumers with filing complaints and appeals, educate consumers on their rights and responsibilities, and collect, track, and quantify consumer problems and inquiries. Provides \$30 million in funding and is effective upon the date of enactment of the bill.

Sec. 1003. Ensuring that consumers get value for their dollars. For plan years beginning in 2010, the Secretary and States will establish a process for the annual review of increases in premiums for health insurance coverage. Requires States to make recommendations to their Exchanges about whether health insurance issuers should be excluded from participation in the Exchanges based on unjustified premium increases. Provides \$250 million in funding to States from 2010 until 2014 to assist States in reviewing and, if appropriate under State law, approving premium increases for health insurance coverage and in providing information and recommendations to the Secretary. As added by Section 10101, allows for the establishment of medical reimbursement data centers to develop fee schedules and other database tools that reflect market rates for medical services.

Sec. 1004. Effective dates. Except for sections 1002 and 1003 (effective upon the date of enactment of this Act), this subtitle shall become effective for plan or policy years beginning on or after the date that is 6 months after the date of enactment of this Act (September 23, 2010).

Subtitle B – Immediate Action to Make Coverage More Affordable and More Available

Sec. 1101. Immediate access to insurance for people with a preexisting condition. Enacts a temporary insurance program with financial assistance for those who have been uninsured for several months and have a pre-existing condition. Ensures premium rate limits for the newly insured population. Provides up to \$5 billion for this program, which terminates when the American Health Benefit Exchanges are operational in 2014. Also establishes a transition to the Exchanges for eligible individuals.

Sec. 1102. Reinsurance for early retirees. Establishes a temporary reinsurance program to provide reimbursement to participating employment-based plans, including (as clarified by Section 10102) plans sponsored by State and local governments, for part of the cost of providing health benefits to retirees (age 55-64) and their families. The program reimburses participating employment-based plans for 80 percent of the cost of benefits provided per enrollee in excess of \$15,000 and below \$90,000. The plans are required to use the funds to lower costs borne directly by participants and beneficiaries, and the program incentivizes plans to implement programs and procedures to better manage chronic conditions. The Act appropriates \$5 billion for this fund and funds are available until expended.

Sec. 1103. Immediate information that allows consumers to identify affordable coverage options. Establishes an Internet portal for beneficiaries to easily access affordable and

comprehensive coverage options. This information will include eligibility, availability, premium rates, cost sharing, and the percentage of total premium revenues spent on health care, rather than administrative expenses, by the issuer. Section 10102 clarifies that the internet portal shall be available to small businesses and shall contain information on coverage options available to small businesses.

Sec. 1104. Administrative simplification. Accelerates HHS adoption of uniform standards and operating rules for the electronic transactions that occur between providers and health plans that are governed under the Health Insurance Portability and Accountability Act (such as benefit eligibility verification, prior authorization and electronic funds transfer payments). Establishes a process to regularly update the standards and operating rules for electronic transactions and requires health plans to certify compliance or face financial penalties collected by the Treasury Secretary. The goal of this section is to make the health system more efficient by reducing the clerical burden on providers, patients, and health plans.

Sec. 1105. Effective dates. Provides that this subtitle is effective upon enactment.

Subtitle C – Quality Health Insurance Coverage for All Americans

Part I – Health Insurance Market Reforms

Sec. 1201. Amendment to the Public Health Service Act.

Sec. 2701. Fair health insurance premiums. Establishes that premiums in the individual and small group markets may vary only by family structure, geography, the actuarial value of the benefit, age (limited to a ratio of 3 to 1), and tobacco use (limited to a ratio of 1.5 to 1). Section 10103 clarifies that this provision applies to insured plans in the large group market, not self-insured plans.

Sec. 2702. Guaranteed availability of coverage. Each health insurance issuer must accept every employer and individual in the State that applies for coverage, permitting annual and special open enrollment periods for those with qualifying lifetime events.

Sec. 2703. Guaranteed renewability of coverage. Requires guaranteed renewability of coverage regardless of health status, utilization of health services or any other related factor.

Sec. 2704. Prohibition of preexisting condition exclusions or other discrimination based on health status. No group health plan or insurer offering group or individual coverage may impose any pre-existing condition exclusion or discriminate against those who have been sick in the past. As amended by Section 10103, applies the prohibition on pre-existing condition exclusions with respect to children effective for plan years beginning six months after enactment.

Sec. 2705. Prohibiting discrimination against individual participants and beneficiaries based on health status. No group health plan or insurer offering group or individual coverage may set eligibility rules based on health status, medical condition, claims

experience, receipt of health care, medical history, genetic information, evidence of insurability – including acts of domestic violence or disability. Permits employers to vary insurance premiums by as much as 30 percent for employee participation in certain health promotion and disease prevention programs. Authorizes a 10-State demonstration to apply such a program in the individual market.

Sec. 2706. Non-discrimination in health care. Prohibits discrimination against health care providers acting within the scope of their professional license and applicable State laws.

Sec. 2707. Comprehensive health insurance coverage. Requires health insurance issuers in the small group and individual markets to include coverage which incorporates defined essential benefits, provides a specified actuarial value, and requires all health plans to comply with limitations on allowable cost-sharing.

Sec. 2708. Prohibition on excessive waiting periods. Prohibits any waiting periods for group coverage that exceeds 90 days. Section 10103 clarifies that waiting periods do not apply to the individual market.

Sec. 2709. Coverage for individuals participating in approved clinical trials. As added by Section 10103, prohibits insurers from dropping coverage because an individual chooses to participate in a clinical trial and from denying coverage for routine care that they would otherwise provide just because an individual is enrolled in a clinical trial. Applies to all clinical trials that treat cancer or other life-threatening diseases.

Part II – Other Provisions

Sec. 1251. Preservation of right to maintain existing coverage. Allows any individual enrolled in any form of health insurance to maintain their coverage as it existed on the date of enactment. Section 10103 applies the requirements for medical loss ratios and uniform coverage documents to grandfathered plans. Section 2301 of the *Reconciliation Act* applies the requirements for excessive waiting periods, lifetime limits, rescissions, and extension of young adult coverage to grandfathered plans. Also, applies requirements relating to pre-existing coverage exclusions to group health plans, applies requirements regarding adult child coverage to group health plans only if the adult child is not eligible to enroll in an employer-sponsored plan.

Sec. 1252. Rating reforms must apply uniformly to all health insurance issuers and group health plans. Standards and requirements adopted by States must be applied uniformly to all plans in each relevant insurance market in a State.

Sec. 1253. Annual report on self-insured plans. As added by Section 10103, requires the Secretary of Labor to prepare an annual report on various aspects of self-insured group health plans.

Sec. 1254. Study of large group market. As added by Section 10103, requires the Secretary of HHS to conduct a study of the fully-insured and self-insured group health plan markets to

compare characteristics and determine the extent to which new insurance market reforms are likely to cause adverse selection in the large group market.

Sec. 1255. Effective dates. Section 10103 redesignates this section, previously 1253, as 1255. All provisions in this subtitle take effect on January 1, 2014. Section 10103 clarifies that the grandfathering takes effect on the date of enactment and applies the prohibition on pre-existing condition exclusions with respect to children effective six months after enactment.

Subtitle D – Available Coverage for All Americans

Part I—Establishment of Qualified Health Plans

Sec. 1301. Qualified health plan defined. Requires qualified health plans to be certified by Exchanges, provide the essential health benefits package, and be offered by licensed insurers that offer at least one qualified health plan at the silver and gold levels. Section 10104 strikes the community health insurance option from this section, adds multi-state plans, and allows qualified health plans to provide coverage through a qualified direct primary care medical home plan that meets requirements established by the Secretary of HHS.

Sec. 1302. Essential health benefits requirements. Defines an essential health benefits package as one that covers essential health benefits, limits cost-sharing, and has a specified actuarial value (pays for a specified percentage of costs), as follows:

1. For the individual and small group markets, requires the Secretary to define essential health benefits, which must be equal in scope to the benefits of a typical employer plan.
2. For all plans in all markets, prohibits out-of-pocket limits that are greater than the limits for Health Savings Accounts. For the small group market, prohibits deductibles that are greater than \$2,000 for individuals and \$4,000 for families. Indexes the limits and deductible amounts by the percentage increase in average per capita premiums.
3. For the individual and small group markets, requires one of the following levels of coverage, under which the plan pays for the specified percentage of costs:

Bronze:	60 percent
Silver:	70 percent
Gold:	80 percent
Platinum:	90 percent

In the individual market, a catastrophic-only plan may be offered to individuals who are under the age of 30 or who are exempt from the individual responsibility requirement because coverage is unaffordable to them or because of a hardship. A catastrophic plan must cover essential health benefits and at least three primary care visits, but must require cost-sharing up to the HSA out-of-pocket limits. Also, if an insurer offers a qualified health plan, it must offer a child-only plan at the same level of coverage. Finally, Section 10104 requires payments by qualified health plans to Federally Qualified Health Centers (FQHCs) to be at least as high as payments to FQHCs under Medicaid.

Sec. 1303. Special rules. As amended by Section 10104, this section:

- Affirms that States may prohibit abortion coverage in qualified health plans offered through an Exchange in such State if such State enacts a law to provide for such prohibition.
- Ensures that plans may elect whether or not to cover abortion. Requires a segregation of funds for subsidy-eligible individuals in plans that cover abortions for which the expenditure of Federal funds appropriated for the Department of Health and Human Services is not permitted. Subsidy-eligible individuals would pay one premium with two distinct payment transactions, with one going to an allocation account to be used exclusively for payment of such services. Requires State insurance commissioners to ensure compliance with the requirement to segregate federal funds in accordance with generally accepted accounting requirements and guidance from the Office of Management and Budget (OMB) and Government Accountability Office (GAO). Plans would be required to include in their benefit descriptions whether or not they cover abortion, as they will do for all other benefits. The allocation of the premium into its components would not be advertised or used in enrollment material. All applicants would see the same premium when they are choosing a plan.
- Includes conscience language that prohibits qualified health plans from discriminating against any individual health care provider or health care facility because of its unwillingness to provide, pay for, provide coverage of, or refer for abortions.
- Ensures that federal and State laws regarding abortion are not preempted.

Sec. 1304. Related definitions. Defines the small group market as the market in which a plan is offered by a small employer that employs 1-100 employees. Defines the large group market as the market in which a plan is offered by a large employer that employs more than 100 employees. Before 2016, a State may limit the small group market to 50 employees. As amended by Section 10104, defines an “educated health care consumer,” and requires Exchanges to consult with enrollees who are educated health care consumers.

Part II—Consumer Choices and Insurance Competition through Health Benefit Exchanges

Sec. 1311. Affordable choices of health benefit plans. Requires the Secretary to award grants, available until 2015, to States for planning and establishment of American Health Benefit Exchanges. By 2014, requires States to establish an American Health Benefit Exchange that facilitates the purchase of qualified health plans and includes a SHOP Exchange for small businesses. Requires the Secretary to:

- Establish certification criteria for qualified health plans, requiring such plans to meet marketing requirements, ensure a sufficient choice of providers, include essential community providers in their networks, be accredited on quality, implement a quality improvement strategy, use a uniform enrollment form, present plan information in a standard format, and provide data on quality measures.
- Develop a rating system for qualified health plans, including information on enrollee satisfaction, and a model template for an Exchange’s Internet portal.
- Determine an initial and annual open enrollment period, as well as special enrollment periods for certain circumstances.

Allows States to require benefits in addition to essential health benefits, but States must defray the cost of such additional benefits. Section 10104 clarifies that States must make payments to cover the cost of additional benefits directly to individuals or plans, and not to Exchanges. Requires Exchanges to certify qualified health plans, operate a toll-free hotline and Internet website, rate qualified health plans, present plan options in a standard format, inform individuals of eligibility for Medicaid and CHIP, provide an electronic calculator to calculate plan costs, and grant certifications of exemption from the individual responsibility requirement. Beginning in 2015, requires Exchanges to be self-sustaining and allows them to charge assessments or user fees. Allows Exchanges to certify qualified health plans if they meet certification criteria and offering them is in the interests of individuals and employers, and, as amended by Section 10104, requires Exchanges to consider the reasonableness of premium rate increases when determining whether to certify and offer plans. Allows regional or interstate Exchanges if the States agree to, and the Secretary approves, such Exchanges. Requires Exchanges to award grants to Navigators, which may include resource partners of the Small Business Administration, to educate the public about qualified health plans, distribute information on enrollment and tax credits, facilitate enrollment, and provide referrals on grievances, complaints, or questions.

As added by Section 10104, requires plans seeking certification by Exchanges to publicly disclose, in plain language, information on claims payment policies, enrollment, denials, rating practices, out-of-network cost-sharing, and enrollee rights. Requires such plans to provide information to enrollees on the amount of cost-sharing for a specific item or service. Requires the Secretary of Labor to update disclosure rules for group health plans to conform to these standards. Requires qualified health plans to implement activities to reduce health disparities, including the use of language services, community outreach, and cultural competency trainings.

Sec. 1312. Consumer choice. Allows qualified individuals, defined as individuals who are not incarcerated and who are lawfully residing in a State, to enroll in qualified health plans through that State's Exchange. Allows qualified employers to offer a choice of qualified health plans at one level of coverage; small employers qualify to do so, and States may allow large employers to qualify beginning in 2017. Requires insurers to pool the risk of all enrollees in all plans (except grandfathered plans) in each market, regardless of whether plans are offered through Exchanges. Requires the offering of only qualified health plans through Exchanges to Members of Congress and their staff. As amended by Section 10104, requires the Secretary to establish procedures to allow agents or brokers to enroll individuals and employers in qualified health plans and assist them in applying for tax credits and cost-sharing reductions.

Sec. 1313. Financial integrity. Requires Exchanges to keep an accurate accounting of all expenditures and submit annual accounting reports to the Secretary. Requires Exchanges to cooperate with Secretarial investigations and allows for Secretarial audits of Exchanges. If the Secretary finds serious misconduct in a State, allows the Secretary to rescind up to 1 percent of Federal payments to the State. As amended by Section 10104, narrows the application of the False Claims Act's public disclosure bar to ensure that whistleblowers who play a significant role in exposing fraud can be included in otherwise meritorious litigation. Also, requires GAO to study the cost and affordability of qualified health plans offered through Exchanges.

Part III—State Flexibility Relating to Exchanges

Sec. 1321. State flexibility in operation and enforcement of Exchanges and related requirements. Requires the Secretary, in consultation with NAIC, to set standards for Exchanges, qualified health plans, reinsurance, and risk adjustment. Requires States to implement these standards by 2014. If the Secretary determines before 2013 that a State will not have an Exchange operational by 2014, or will not implement the standards, requires the Secretary to establish and operate an Exchange in the State and to implement the standards. Presumes that a State operating an Exchange before 2010 meets the standards, and establishes a process for the State to come into compliance with the standards.

Sec. 1322. Federal program to assist establishment and operation of nonprofit, member-run health insurance issuers. Requires the Secretary to award loans for start-up costs and grants to meet solvency requirements, until July 1, 2013, to member-run nonprofits that will offer qualified health plans, called the Consumer Operated and Oriented Plan (CO-OP) program. As amended by Section 10104, such loans must be repaid within 15 years. Establishes an Advisory Board with members appointed by the Comptroller General, to terminate by 2016. Prohibits health insurance issuers that existed on July 16, 2009 or governmental organizations from qualifying for the program. Allows participants to form a private purchasing council to enter into collective purchasing arrangements for items and services, but which may not set provider payment rates. Prohibits government representatives from serving on the board of directors of participants or the council. Appropriates \$6 billion for the CO-OP program, and exempts participants from taxation.

Sec. 1323. Community health insurance option. This section was struck by Section 10104.

Sec. 1323. Funding for the territories. As redesignated and added by Section 1204 of the *Reconciliation Act*, increases federal funding for Puerto Rico, Virgin Islands, Guam, American Samoa, and the Northern Marianas Islands by \$2 billion. Effective July 1, 2011, raises the caps on federal Medicaid funding for each of the territories. Allows each territory to elect to operate a Health Benefits Exchange, by October 1, 2013.

Sec. 1324. Level playing field. Requires qualified health plans offered under the CO-OP program, or as multi-state plans, to be subject to all federal and State laws that apply to private health insurers.

Part IV—State Flexibility to Establish Alternative Programs

Sec. 1331. State flexibility to establish basic health programs for low-income individuals not eligible for Medicaid. Allows States to contract, through a competitive process that includes negotiation of premiums, cost-sharing, and benefits, with standard health plans for individuals who are not eligible for Medicaid or other affordable coverage and have income below 200 percent of the Federal Poverty Level (FPL). Requires the Secretary to certify that participating individuals do not have to pay more in premiums and cost-sharing than they would have paid under qualified health plans, and that the plans cover essential health benefits. Requires the Secretary to transfer to participating States 95 percent of the tax credits and cost-

sharing reductions that would have been provided to individuals enrolled in standard health plans if they were enrolled in qualified health plans. Section 10104 clarifies that legal immigrants whose income is less than 133 percent of the Federal Poverty Level (FPL), and who are not eligible for Medicaid by virtue of the five year waiting period, are eligible for the basic health program.

Sec. 1332. Waiver for State innovation. Beginning in 2017, allows States to apply for a waiver for up to 5 years of requirements relating to qualified health plans, Exchanges, cost-sharing reductions, tax credits, the individual responsibility requirement, and shared responsibility for employers. Requires States to enact a law and to comply with regulations that ensure transparency. Requires the Secretary to provide to a State the aggregate amount of tax credits and cost-sharing reductions that would have been paid to residents of the State in the absence of a waiver. Requires the Secretary to determine that the State plan for a waiver will provide coverage that is at least as comprehensive and affordable, to at least a comparable number of residents, as this title would provide; and that it will not increase the Federal deficit.

Sec. 1333. Provisions relating to offering of plans in more than one State. By July 1, 2013, requires the Secretary, in consultation with NAIC, to issue regulations for interstate health care choice compacts, which can be entered into beginning in 2016. Under such compacts, qualified health plans could be offered in all participating States, but insurers would still be subject to the consumer protection laws of the purchaser's State. Insurers would be required to be licensed in all participating States (or comply as if they were licensed), and to clearly notify consumers that a policy may not be subject to all the laws and regulations of the purchaser's State. Requires States to enact a law to enter into compacts and Secretarial approval, but only if the Secretary determines that the compact will provide coverage that is at least as comprehensive and affordable, to at least a comparable number of residents, as this title would provide; and that it will not increase the Federal deficit or weaken enforcement of State consumer protection laws.

Sec. 1334. Multi-State Plans. As added by Section 10104, requires the Office of Personnel Management (OPM) to contract with health insurers to offer at least two multi-state qualified health plans (at least one non-profit) through Exchanges in each State. Requires OPM to negotiate contracts in a manner similar to the manner in which it negotiates contracts for Federal Employees Health Benefits Program (FEHBP), and allows OPM to prohibit multi-state plans that do not meet standards for medical loss ratios, profit margins, and premiums. Requires multi-state plans to cover essential health benefits and meet all of the requirements of a qualified health plan; States may require multi-state plans to offer additional benefits, but must pay for the additional cost. Multi-state plans must comply with 3:1 age rating, except States may require more protective age rating. Multi-state plans must comply with the minimum standards and requirements of FEHBP, unless they conflict with the PPACA. Guarantees that FEHBP will maintain a separate risk pool and remain a separate program.

Part V—Reinsurance and Risk Adjustment

Sec. 1341. Transitional reinsurance program for individual and small group markets in each State. For 2014, 2015, and 2016, requires States to establish a nonprofit reinsurance entity that collects payments from insurers market and makes payments to insurers in the individual

market that cover high-risk individuals. Requires the Secretary to establish Federal standards for the determination of high-risk individuals, a formula for payment amounts, and the contributions required of insurers, which must total \$25 billion over the three years.

Sec. 1342. Establishment of risk corridors for plans in individual and small group markets. Requires the Secretary to establish risk corridors for qualified health plans in 2014, 2015, and 2016. If a plan's costs (other than administrative costs) exceed 103 percent of total premiums, the Secretary makes payments to the plan to defray the excess. If a plan's costs (other than administrative costs) are less than 97 percent of total premiums, the plan makes payments to the Secretary.

Sec. 1343. Risk adjustment. Requires States to assess charges on health plans with enrollees of lower-than-average risk, and to provide payments to health plans with enrollees of higher-than-average risk. Risk adjustment applies to plans in the individual and small group markets, but not to grandfathered health plans.

Subtitle E—Affordable Coverage Choices for All Americans

Part I – Premium Tax Credits and Cost-Sharing Reductions

Sec. 1401. Refundable tax credit providing premium assistance for coverage under a qualified health plan. Amends the Internal Revenue Code to provide tax credits to assist with the cost of health insurance premiums.

Sec. 36B. Refundable credit for coverage under a qualified health plan. As amended by Section 1001 of the *Reconciliation Act*, the premium assistance credit amount is equal to the cost of the health insurance plan that exceeds a specified percentage of income, based on poverty level. The income percentage is two percent for those with income up to 133 percent of poverty, and calculated on sliding scale starting at three percent of income for those at or above 133 percent of poverty and phasing out to 9.5 percent of income for those at 300-400 percent of poverty. The reference premium is the second lowest cost silver plan available in the individual market in the rating area in which the taxpayer resides. The premium assistance credits do not take into account benefits mandated by States. Employees offered coverage by an employer under which the plan's share of the total allowed costs of benefits provided under the plan is less than 60 percent of such costs or the premium exceeds 9.5 percent of the employee's income are eligible for the premium assistance credit. This section also provides for reconciliation of the premium assistance credit amount at the end of the taxable year and for a study on the affordability of health insurance coverage by the Comptroller General. The *Reconciliation Act* requires each Exchange to report to the Secretary and to the taxpayer information regarding health insurance coverage and any tax credits received.

Sec. 1402. Reduced cost-sharing for individuals enrolling in qualified health plans. The standard out-of-pocket maximum limits (\$5,950 for individuals and \$11,900 for families) would be reduced to one-third for those between 100-200 percent of poverty, one-half for those between 200-300 percent of poverty, and to two-thirds for those between 300-400 percent of

poverty. As amended by Section 1001 of the *Reconciliation Act*, the plan's share of total allowed costs of benefits would be increased to 94 percent for those between 100-150 percent of poverty (i.e., the individual's liability is limited to 6 percent on average); 87 percent for those between 150-200 percent of poverty; 73 percent for those between 200-250 percent of poverty; and 70 percent for those between 250-400 percent of poverty. The cost-sharing assistance does not take into account benefits mandated by States.

Sec. 1411. Procedures for determining eligibility for Exchange participation, premium tax credits and reduced cost-sharing, and individual responsibility exemptions. The Secretary shall establish a program for determining whether an individual applying for coverage in the individual market by a qualified health plan offered through an Exchange, or who is claiming a premium tax credit or reduced cost-sharing, is a citizen or national of the United States or an alien lawfully present in the United States and meets the income and coverage requirements; whether an individual's coverage under an employer-sponsored health benefits plan is treated as unaffordable; and whether to grant a certification attesting that, for purposes of the individual responsibility requirement, an individual is entitled to an exemption from either the individual responsibility requirement or the penalty imposed by such section.

Sec. 1412. Advance determination and payment of premium tax credits and cost-sharing reductions. Allows for the advanced payment of premium assistance tax credits and cost-sharing reductions for eligible individuals. Prohibits any Federal payments to individuals who are not lawfully present in the United States.

Sec. 1413. Streamlining of procedures for enrollment through an Exchange and State Medicaid, CHIP, and health subsidy programs. Requires the Secretary to establish a system for the residents of each State to apply for enrollment in, receive a determination of eligibility for participation in, and continue participation in, applicable State health subsidy programs. The system will ensure that if any individual applying to an Exchange is found to be eligible for Medicaid or a State children's health insurance program (CHIP), the individual is enrolled for assistance under such plan or program.

Sec. 1414. Disclosures to carry out eligibility requirements for certain programs. Allows for limited disclosure of tax return information to carry out eligibility requirements for certain programs listed in the Act.

Sec. 1415. Premium tax credit and cost-sharing reduction payments disregarded for Federal and Federally-assisted programs. Precludes the premium assistance tax credits and cost-sharing reductions from being counted as income for purposes of determining eligibility for any Federal program or under any State or local program financed in whole or in part with Federal funds.

Sec. 1416. Study of geographic variation in application of FPL. As added by Section 10105, directs the Secretary of HHS to study adjusting the definition of "federal poverty level" to reflect cost of living variations among different geographic areas within the United States.

Part II – Small Business Tax Credit

Sec. 1421. Credit for employee health insurance expenses of small businesses. Amends the Internal Revenue Code to provide tax credits to small employers.

Sec. 45R. Employee health insurance expenses of small employers. As amended by Section 10105, provides a sliding scale tax credit to small employers with fewer than 25 employees and average annual wages of less than \$50,000 that purchase health insurance for their employees. The full credit will be available to employers with 10 or fewer employees and average annual wages of less than \$25,000. To be eligible for a tax credit, the employer must contribute at least 50 percent of the total premium cost or 50 percent of a benchmark premium. In 2010 through 2013, eligible employers can receive a small business tax credit for up to 35 percent of their contribution toward the employee's health insurance premium. Tax-exempt small businesses meeting the above requirements are eligible for tax credits of up to 25 percent of their contribution. In 2014 and beyond, eligible employers who purchase coverage through the State Exchange can receive a tax credit for two years of up to 50 percent of their contribution. Tax-exempt small businesses meeting the above requirements are eligible for tax credits of up to 35 percent of their contribution.

Subtitle F—Shared Responsibility for Health Care

Part I – Individual Responsibility

Sec. 1501. Requirement to maintain minimum essential coverage. Contains findings of Congress related to the individual responsibility requirement, which are amended by Section 10106.

Sec. 5000A. Requirement to maintain minimum essential coverage. Requires individuals to maintain minimum essential coverage beginning in 2014. As amended by Section 1002 of the *Reconciliation Act*, failure to maintain coverage will result in a penalty of the greater of \$95 or one percent of income in 2014, \$325 or two percent of income in 2015 and \$695 or 2.5 percent of income in 2016, up to a cap of the national average bronze plan premium. Families will pay half the amount for children up to a cap of \$2,250 for the entire family. After 2016, dollar amounts will increase by the annual cost of living adjustment. Exceptions to the individual responsibility requirement to maintain minimum essential coverage are made for religious objectors, individuals not lawfully present, and incarcerated individuals. Exemptions from the penalty will be made for those who cannot afford coverage, taxpayers with income below the filing threshold, members of Indian tribes, those who have received a hardship waiver and those who were not covered for a period of less than three months during the year.

Sec. 1502. Reporting of health insurance coverage. Amends the Internal Revenue Code to require the reporting of health insurance coverage.

Sec. 6055. Reporting of health insurance coverage. Requires every person that provides coverage to report certain information about the coverage to the IRS.

Part II – Employer Responsibilities

Sec. 1511. Automatic enrollment for employees of large employers. Requires employers with more than 200 employees to automatically enroll new full-time employees in coverage (subject to any waiting period authorized by law) with adequate notice and the opportunity for an employee to opt out of any coverage the individual or employee was automatically enrolled in.

Sec. 1512. Employer requirement to inform employees of coverage options. Requires that an employer provide notice to their employees informing them of the existence of an Exchange. Also, if the employer plan's share of the total allowed costs of benefits provided under the plan is less than 60 percent of such costs, that the employee may be eligible for a premium assistance tax credit and cost sharing reduction. Finally, if the employee purchases a qualified health plan through the Exchange, the employee will lose the employer contribution (if any) to any health benefits plan offered by the employer and that all or a portion of such contribution may be excludable from income for Federal income tax purposes.

Sec. 1513. Shared responsibility for employers. As amended by the *Reconciliation Act*, requires an employer with at least 50 full-time employees that does not offer coverage and has at least one full-time employee receiving a premium assistance tax credit to make a payment of \$2,000 per full-time employee. Includes the number of full-time equivalent employees for purposes of determining whether an employer has at least 50 employees. Exempts the first 30 full-time employees for the purposes of calculating the amount of the payment. Section 10106 clarifies that the calculation of full-time workers is made on a monthly basis. The *Reconciliation Act* eliminates the penalty for waiting periods before an employee may enroll in coverage. An employer with at least 50 employees that does offer coverage but has at least one full-time employee receiving the premium assistance tax credit will pay the lesser of \$3,000 for each of those employees receiving a tax credit or \$2,000 for each of their full-time employees total, not including the first 30 workers. The Secretary of Labor shall conduct a study to determine whether employees' wages are reduced by reason of the application of the assessable payments.

Sec. 1514. Reporting of employer health insurance coverage. Requires large employers to report to the Secretary whether it offers to its full-time employees (and their dependents) the opportunity to enroll in minimum essential coverage under an eligible employer-sponsored plan, the length of any applicable waiting period, the lowest cost option in each of the enrollment categories under the plan, and the employer's share of the total allowed costs of benefits provided under the plan. The employer must also report the number and names of full-time employees receiving coverage.

Sec. 1515. Offering of Exchange-participating qualified health plans through cafeteria plans. Amends the Internal Revenue Code related to cafeteria plans.

Sec. 125(f)(3). Certain Exchange-participating health plans not qualified. Plans provided through the Exchange will not be an eligible benefit under an employer-sponsored cafeteria plan, except in the case of qualified employers (i.e., small employers, and, after

2017, large employers in electing states) offering a choice of plans to their employees through the exchange.

Subtitle G—Miscellaneous Provisions

Sec. 1551. Definitions. Applies the definitions contained in section 2791 of the Public Health Service Act to this title.

Sec. 1552. Transparency in government. Not later than 30 days after the date of enactment of this Act, the HHS Secretary shall publish on the HHS website a list of all of the authorities provided to the Secretary under this Act.

Sec. 1553. Prohibition against discrimination on assisted suicide. Prevents the Federal government, and any State or local government or health care provider that receives Federal financial assistance from subjecting any individual or institutional health care entity to discrimination on the basis that the entity does not provide assisted suicide, euthanasia, or mercy killing.

Sec. 1554. Access to therapies. Prevents the HHS Secretary from promulgating certain regulations limiting access to health care services.

Sec. 1555. Freedom not to participate in Federal health insurance programs. Provides that no individual, company, business, nonprofit entity, or health insurance issuer shall be required to participate in any Federal health insurance program created under this Act.

Sec. 1556. Equity for certain eligible survivors. Provides for improvements to the Black Lung Benefits Act.

Sec. 1557. Nondiscrimination. Protects individuals against discrimination under the Civil Rights Act, the Education Amendments Act, the Age Discrimination Act, and the Rehabilitation Act, through exclusion from participation in or denial of benefits under any health program or activity.

Sec. 1558. Protection for employees. Amends the Fair Labor Standards Act to ensure that no employer shall discharge or in any manner discriminate against any employee with respect to his or her compensation, terms, conditions, or other privileges of employment because the employee has received a premium tax credit or for other reasons.

Sec. 1559. Oversight. The Inspector General of the Department of HHS shall have oversight authority with respect to the administration and implementation of this title as it relates to such Department.

Sec. 1560. Rules of construction. Nothing in this title shall be construed to modify, impair, or supersede the operation of any antitrust laws. Nothing in this title shall modify or limit the application of the exemption for Hawaii's Prepaid Health Care Act under ERISA. Nothing in this title shall be construed to prohibit an institution of higher education from offering a student

health insurance plan, to the extent that such requirement is otherwise permitted under applicable Federal, State, or local law.

Sec. 1561. Health information technology enrollment standards and protocols. Requires the development of standards and protocols to promote the interoperability of systems for enrollment of individuals in Federal and State health and human services programs. These standards shall allow for electronic data matching, and electronic documentation. The Secretary may require State or other entities to incorporate such standards as a condition of receiving Federal health information technology funds.

Sec. 1562. GAO study regarding the rate of denial of coverage and enrollment by health insurance issuers and group health plans. As added by Section 10107, directs the GAO to study the rate of denial of coverage and enrollment by health insurance issuers and group health plans.

Sec. 1563. Conforming amendments. Provides for technical and conforming amendments.

Sec. 1563. Small business procurement. Section 10107 moved this section, previously Section 1562, to Section 1563. Disallows any waiver of small business contracts under the Federal Acquisition Regulation of the Small Business Act.

TITLE II – ROLE OF PUBLIC PROGRAMS

Subtitle A – Improved Access to Medicaid

Sec. 2001. Medicaid coverage for the lowest income populations.

Eligibility. Creates a new State option to provide Medicaid coverage through a State plan amendment beginning on April 1, 2010, as amended by Section 10201. Eligible individuals include: all non-elderly, non-pregnant individuals who are not entitled to Medicare (e.g., childless adults and certain parents). Creates a new mandatory Medicaid eligibility category for all such “newly-eligible” individuals with income at or below 133 percent of the Federal Poverty Level (FPL) beginning January 1, 2014. Also, as of January 1, 2014, the mandatory Medicaid income eligibility level for children ages six to 19 changes from 100 percent FPL to 133 percent FPL. Effective April 1, 2010, states have the option to provide Medicaid coverage to all non-elderly individuals above 133 percent of FPL through a State plan amendment.

Benefits. Newly-eligible, non-elderly, non-pregnant individuals would receive benchmark or benchmark-equivalent coverage consistent with the requirements of section 1937 of the Social Security Act. Benchmark and benchmark-equivalent coverage would be required to provide at least essential benefits (as defined for the Exchange) and prescription drugs and mental health services would be added to the list of services that must be covered at actuarial equivalence.

Increased Federal assistance. As amended by Section 1201 of the *Reconciliation Act*, strikes the provision for a permanent 100 percent federal matching rate for Nebraska for the Medicaid costs of newly eligible individuals. Provides federal Medicaid matching payments for the costs of

services to newly eligible individuals at the following rates: 100 percent in 2014, 2015, and 2016; 95 percent in 2017; 94 percent in 2018; 93 percent in 2019; and 90 percent thereafter. In the case of expansion states, additional federal support for covering nonpregnant childless adults is phased-in so that in 2019 and thereafter, expansion states would receive the same FMAP as other states for newly-eligible and previously-eligible nonpregnant childless adults.

Maintenance of income eligibility. States would be required to maintain the same income eligibility levels through December 31, 2013 for all adults. This “maintenance of effort” (MOE) requirement would be extended through September 30, 2019 for all children currently covered in Medicaid or CHIP. Between January 1, 2011 and January 1, 2014, a State would be exempt from the MOE requirement for optional, non-pregnant, non-disabled, adult populations whose family income is above 133 percent of FPL if the State certifies to the Secretary that the State is currently experiencing a budget deficit or projects to have a budget deficit in the following State fiscal year.

Sec. 2002. Income eligibility for nonelderly determined using modified adjusted gross income. Beginning January 1, 2014, States would be required to use modified adjusted gross income to determine Medicaid eligibility, the same measure used in the State Exchanges. Income disregards and asset tests would generally no longer apply in Medicaid, except for individuals eligible for long-term services and supports and individuals eligible for Medicaid through another program. As amended by Section 1004 of the *Reconciliation Act*, applies a five percent income disregard for all Medicaid applicants.

Sec. 2003. Requirement to offer premium assistance for employer-sponsored insurance. Requires States to offer premium assistance and wrap-around benefits to all Medicaid beneficiaries who are offered employer-sponsored insurance (ESI) if it is cost-effective to do so, based on current law requirements.

Sec. 2004. Medicaid coverage for former foster care children. As amended by Section 10201, makes the State option to cover former foster children in Medicaid mandatory, moves the effective date up to 2014, and limits it to only those children who have aged out of the foster care system as of the date of enactment. Children who qualify for Medicaid through this eligibility pathway would receive all benefits under Medicaid, including EPSDT.

Sec. 2005. Payments to territories. Section 1204 of the *Reconciliation Act*, redesignates funding for the territories as Section 1323, above.

Sec. 2006. Special adjustment to FMAP determination for certain States recovering from a major disaster. Reduces projected decreases in Medicaid funding for States that have experienced major, statewide disasters.

Sec. 2007. Medicaid Improvement Fund rescission. Rescinds funds available in the Medicaid Improvement Fund (MIF) for fiscal years 2014 through 2018.

Subtitle B – Enhanced Support for the Children’s Health Insurance Program

Sec. 2101. Additional Federal financial participation for CHIP. Upon enactment, States would be required to maintain income eligibility levels for CHIP through September 30, 2019. From fiscal year 2014 to 2019, States would receive a 23 percentage point increase in the CHIP match rate, subject to a cap of 100 percent. CHIP-eligible children who cannot enroll in CHIP due to Federal allotment caps would be eligible for tax credits in the State Exchange. As amended by Section 10203, extends the current reauthorization period of CHIP for two years, through September 30, 2015. States will receive a 23 percentage point increase in their federal match rates beginning fiscal year 2016 through fiscal year 2019. This provision also increases outreach and enrollment grants by \$40 million, makes some children of public employees eligible for CHIP, and precludes transitioning coverage from CHIP to the Exchange without Secretarial certification. It also requires insurers in the Exchange to report to the Secretary on pediatric quality measures.

Sec. 2102. Technical corrections. Makes technical corrections to selected provisions in the Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA) and the American Recovery and Reinvestment Act of 2009 (ARRA).

Subtitle C – Medicaid and CHIP Enrollment Simplification

Sec. 2201. Enrollment simplification and coordination with State Health Insurance Exchanges. Allows individuals to apply for and enroll in Medicaid, CHIP or the Exchange through a State-run website. Requires State Medicaid and CHIP programs and the Exchange to coordinate enrollment procedures to provide seamless enrollment for all programs.

Sec. 2202. Permitting hospitals to make presumptive eligibility determinations for all Medicaid eligible populations. Allows any hospital the option, based off preliminary information, to provide Medicaid services during a period of presumptive eligibility to members of all Medicaid eligibility categories.

Subtitle D – Improvements to Medicaid Services

Sec. 2301. Coverage for freestanding birth center services. Requires coverage of services provided by free-standing birth centers.

Sec. 2302. Concurrent care for children. Allows children who are enrolled in either Medicaid or CHIP to receive hospice services without foregoing curative treatment related to a terminal illness.

Sec. 2303. State eligibility option for family planning services. Adds a new, optional, categorically-needy eligibility group to Medicaid comprised of (1) non-pregnant individuals with income up to the highest level applicable to pregnant women covered under Medicaid or CHIP, and (2) individuals eligible under the standards and processes of existing section 1115 waivers that provide family planning services and supplies. Benefits would be limited to family planning services and supplies, including related medical diagnostic and treatment services.

Sec. 2304. Clarification of definition of medical assistance. Clarifies that “medical assistance” encompasses both payment for services provided and the services themselves.

Subtitle E – New Options for States to Provide Long-Term Services and Supports

Sec. 2401. Community First Choice Option. Establishes an optional Medicaid benefit through which States could offer community-based attendant services and supports to Medicaid beneficiaries with disabilities who would otherwise require the level of care offered in a hospital, nursing facility, or intermediate care facility for the mentally retarded. As amended by Section 1205 of the *Reconciliation Act*, October 1, 2011 is the effective date for this policy.

Sec. 2402. Removal of barriers to providing home and community-based services. Removes barriers to providing HCBS by giving States the option to provide more types of HCBS through a State plan amendment to individuals with higher levels of need, rather than through a waiver, and to extend full Medicaid benefits to individuals receiving HCBS under a State plan amendment.

Sec. 2403. Money Follows the Person Rebalancing Demonstration. Extends the Money Follows the Person Rebalancing Demonstration through September 30, 2016 and changes the eligibility rules for individuals to participate in the demonstration project by requiring that individuals reside in an inpatient facility for not less than 90 consecutive days.

Sec. 2404. Protection for recipients of home and community-based services against spousal impoverishment. Requires States to apply spousal impoverishment rules to beneficiaries who receive HCBS. This provision would apply for a five-year period beginning on January 1, 2014.

Sec. 2405. Funding to expand State Aging and Disability Resource Centers. Appropriates, to the Secretary of HHS, \$10 million for each of FY 2010 - 2014 to carry out Aging and Disability Resource Center (ADRC) initiatives.

Sec. 2406. Sense of the Senate regarding long-term care. Expresses the Sense of the Senate that during the 111th Congress, Congress should address long-term services and supports in a comprehensive way that guarantees elderly and disabled individuals the care they need, in the community as well as in institutions.

Subtitle F – Medicaid Prescription Drug Coverage

Sec. 2501. Prescription drug rebates. The flat rebate for single source and innovator multiple source outpatient prescription drugs would increase from 15.1 percent to 23.1 percent, except the rebate for clotting factors and outpatient drugs approved by the Food and Drug Administration exclusively for pediatric indications would increase to 17.1 percent. The basic rebate percentage for multi-source, non-innovator drugs would increase from 11 percent to 13 percent. Drug manufacturers would also be required to pay rebates for drugs dispensed to Medicaid beneficiaries who receive care from a Medicaid managed care organization (MCO). Total rebate liability would be limited to 100 percent of the average manufacturer price (AMP). Additional

revenue generated by these increases will be remitted to the federal government. As amended by Section 1206 of the *Reconciliation Act*, for purposes of applying the additional rebate, narrows the definition of a new formulation of a drug to a line extension of a single source or innovator multiple source drug that is an oral solid dosage form of the drug.

Sec. 2502. Elimination of exclusion of coverage of certain drugs. Beginning with drugs dispensed on January 1, 2014, smoking cessation drugs, barbiturates, and benzodiazepines would be removed from Medicaid's excludable drug list.

Sec. 2503. Providing adequate pharmacy reimbursement. Requires the Secretary to calculate the Federal upper limit (FUL) as no less than 175 percent of the weighted average (determined on the basis of utilization) of the most recently reported monthly average manufacturer prices for pharmaceutically and therapeutically equivalent multiple source drugs available nationally through commercial pharmacies.

Subtitle G – Medicaid Disproportionate Share Hospital (DSH) Payments

Sec. 2551. Disproportionate share hospital payments. As amended by Section 1203 of the *Reconciliation Act*, lowers the reduction in federal Medicaid DSH payments from \$18.1 billion to \$14.1 billion and advances the reductions to begin in fiscal year 2014. Directs the Secretary to develop a methodology for reducing DSH allotments to all states in order to achieve the mandated reductions. Extends through FY2013 the federal DSH allotment for a state that has a \$0 allotment after FY2011.

Subtitle H – Improved Coordination for Dual Eligible Beneficiaries

Sec. 2601. 5-year period for demonstration projects. Clarifies that Medicaid waivers for coordinating care for dual eligible beneficiaries could be authorized for as long as five years.

Sec. 2602. Providing Federal coverage and payment coordination for dual eligible beneficiaries. Requires the Secretary to establish a Federal Coordinated Health Care Office (CHCO) within CMS by March 1, 2010. The purpose of the CHCO would be to bring together officials of the Medicare and Medicaid programs to (1) more effectively integrate benefits under those programs, and (2) improve the coordination between the Federal and State governments for individuals eligible for benefits under both Medicare and Medicaid (dual eligibles) to ensure that dual eligibles have full access to the items and services to which they are entitled.

Subtitle I – Improving the Quality of Medicaid for Patients and Providers

Sec. 2701. Adult health quality measures. Directs the Secretary of HHS to develop a set of quality measures for Medicaid eligible adults that is similar to the quality measurement program for children enacted in the Children's Health Insurance Program Reauthorization Act of 2009. The Secretary and the States will report on the development of and improvements to the quality measurement program on a regular basis.

Sec. 2702. Payment adjustment for health care-acquired conditions. Prohibits Medicaid payment for services related to a health care-acquired condition. The Secretary will develop a list of health care-acquired conditions for Medicaid based on those defined under Medicare as well as current State practices.

Sec. 2703. State option to provide health homes for enrollees with chronic conditions. Provides States the option of enrolling Medicaid beneficiaries with chronic conditions into a health home. Health homes would be composed of a team of health professionals and would provide a comprehensive set of medical services, including care coordination.

Sec. 2704. Demonstration project to evaluate integrated care around a hospitalization. Establishes a demonstration project, in up to eight States, to study the use of bundled payments for hospital and physicians services under Medicaid.

Sec. 2705. Medicaid global payment system demonstration project. Establishes a demonstration project, in coordination with the CMS Innovation Center, in up to five States that would allow participating States to adjust their current payment structure for safety net hospitals from a fee-for-service model to a global capitated payment structure.

Sec. 2706. Pediatric Accountable Care Organization demonstration project. Establishes a demonstration project that allows qualified pediatric providers to be recognized and receive payments as Accountable Care Organizations (ACO) under Medicaid. The pediatric ACO would be required to meet certain performance guidelines. Pediatric ACOs that met these guidelines and provided services at a lower cost would share in those savings.

Sec. 2707. Medicaid emergency psychiatric demonstration project. Requires the Secretary of HHS to establish a three-year Medicaid demonstration project in up to eight States. Participating States would be required to reimburse certain institutions for mental disease (IMDs) for services provided to Medicaid beneficiaries between the ages of 21 and 65 who are in need of medical assistance to stabilize an emergency psychiatric condition.

Subtitle J – Improvements to the Medicaid and CHIP Payment and Access Commission

Sec. 2801. MACPAC assessment of policies affecting all Medicaid beneficiaries. Clarifies the topics to be reviewed by the Medicaid and CHIP Payment and Access Commission (MACPAC) including Federal Medicaid and CHIP regulations, additional reports of State-specific data, and an assessment of adult services in Medicaid. The provision would also authorize \$11 million to fund MACPAC for FY2010.

Subtitle K – Protections for American Indians and Alaska Natives

Sec. 2901. Special rules relating to Indians. Prohibits cost-sharing for Indians enrolled in a qualified health benefit plan in the individual market through a State Exchange. Also, facilities operated by the Indian Health Service (IHS) and Indian, Tribal, and Urban Indian facilities

(I/T/Us) would be added to the list of agencies that could serve as an “Express Lane” agency able to determine Medicaid and CHIP eligibility.

Sec. 2902. Elimination of sunset for reimbursement for all Medicare Part B services furnished by certain Indian hospitals and clinics. Removes the sunset provision, allowing IHS and I/T/U services to continue to be reimbursed by Medicare Part B.

Subtitle L – Maternal and Child Health Services

Sec. 2951. Maternal, infant, and early childhood home visiting programs. Provides funding to States, tribes, and territories to develop and implement one or more evidence-based Maternal, Infant, and Early Childhood Visitation model(s). Model options would be targeted at reducing infant and maternal mortality and its related causes by producing improvements in prenatal, maternal, and newborn health, child health and development, parenting skills, school readiness, juvenile delinquency, and family economic self-sufficiency.

Sec. 2952. Support, education, and research for postpartum depression. Provides support services to women suffering from postpartum depression and psychosis and also helps educate mothers and their families about these conditions. Provides support for research into the causes, diagnoses, and treatments for postpartum depression and psychosis.

Sec. 2953. Personal responsibility education. Provides \$75 million per year through FY2014 for Personal Responsibility Education grants to States for programs to educate adolescents on both abstinence and contraception for prevention of teenage pregnancy and sexually transmitted infections, including HIV/AIDS. Funding is also available for 1) innovative teen pregnancy prevention strategies and services to high-risk, vulnerable, and culturally under-represented populations, 2) allotments to Indian tribes and tribal organizations, and 3) research and evaluation, training, and technical assistance.

Sec. 2954. Restoration of funding for abstinence education. Appropriates \$50 million per year through FY2014 for abstinence education.

Sec. 2955. Inclusion of information about the importance of having a health care power of attorney in transition planning for children aging out of foster care and independent living programs. Enables children aging out of the foster care system to have the opportunity to designate a medical power of attorney prior to emancipation from foster care. States must supply information and an opportunity for the child to designate another individual to make medical decisions on their behalf should they be unable to participate in such decision making process as part of the transition process for children expected to age out of the foster care system.

TITLE III—IMPROVING THE QUALITY AND EFFICIENCY OF HEALTH CARE

Subtitle A—Transforming the Health Care Delivery System

Part I – Linking Payment to Quality Outcomes under the Medicare Program

Sec. 3001. Hospital value-based purchasing program. Establishes a value-based purchasing program for hospitals starting in FY2013. Under this program, a percentage of hospital payment would be tied to hospital performance on quality measures related to common and high-cost conditions, such as cardiac, surgical and pneumonia care. Quality measures included in the program (and in all other quality programs in this title) will be developed and chosen with input from external stakeholders. Section 10335 clarifies that the hospital VBP program shall not include measures of hospital readmissions.

Sec. 3002. Improvements to the physician quality reporting initiative. Extends through 2014 payments under the PQRI program, which provide incentives to physicians who report quality data to Medicare. Creates appeals and feedback processes for participating professionals in PQRI. Establishes a participation pathway for physicians completing a qualified Maintenance of Certification program with their specialty board of medicine. Beginning in 2014, physicians who do not submit measures to PQRI will have their Medicare payments reduced. Section 10327 provides an additional 0.5 percent Medicare payment bonus to physicians who successfully report quality measures to CMS via the new Maintenance of Certification program and eliminates the MA Regional Plan Stabilization Fund.

Sec. 3003. Improvements to the physician feedback program. Expands Medicare's physician resource use feedback program to provide for development of individualized reports by 2012. Reports will compare the per capita utilization of physicians (or groups of physicians) to other physicians who see similar patients. Reports will be risk-adjusted and standardized to take into account local health care costs.

Sec. 3004. Quality reporting for long-term care hospitals, inpatient rehabilitation hospitals, inpatient psychiatric hospitals and hospice programs. Establishes a path toward value-based purchasing for long-term care hospitals, inpatient rehabilitation facilities, and hospice providers by requiring the Secretary to implement quality measure reporting programs for these providers in FY2014. Providers under this section who do not successfully participate in the program would be subject to a reduction in their annual market basket update. Section 10322 also establishes a quality measure reporting program for inpatient psychiatric hospitals beginning FY2014.

Sec. 3005. Quality reporting for PPS-exempt cancer hospitals. Establishes a quality measure reporting program for PPS-exempt cancer hospitals beginning in FY2014. Providers under this section who do not successfully participate in the program would be subject to a reduction in their annual market basket update.

Sec. 3006. Plans for a value-based purchasing program for skilled nursing facilities and home health agencies. Directs the Secretary to submit a plan to Congress by FY2012 outlining how to effectively move these providers into a value-based purchasing payment system. As amended by Section 10301, requires the Secretary of HHS to develop a plan to reimburse Ambulatory Surgery Centers (ASCs) based on the quality and efficiency of care delivered in ASCs.

Sec. 3007. Value-based payment modifier under the physician fee schedule. Directs the Secretary of HHS to develop and implement a budget-neutral payment system that will adjust Medicare physician payments based on the quality and cost of the care they deliver. Quality and cost measures will be risk-adjusted and geographically standardized. The Secretary will phase-in the new payment system over a two-year period beginning in 2015.

Sec. 3008. Payment adjustment for conditions acquired in hospitals. Starting in FY2015, hospitals in the top 25th percentile of rates of hospital acquired conditions for certain high-cost and common conditions will be subject to a payment penalty under Medicare. This provision also requires the Secretary to submit a report to Congress by January 1, 2012 on the appropriateness of establishing a healthcare acquired condition policy related to other providers participating in Medicare, including nursing homes, inpatient rehabilitation facilities, long-term care hospitals, outpatient hospital departments, ambulatory surgical centers, and health clinics.

Part II – National Strategy to Improve Health Care Quality

Sec. 3011. National strategy. Requires the Secretary to establish and update annually a national strategy to improve the delivery of health care services, patient health outcomes, and population health. Establishes, not later than January 1, 2011, a Federal health care quality internet website. Section 10302 clarifies that the limitations on use of comparative effectiveness data apply to the development of the National Strategy for Quality Improvement.

Sec. 3012. Interagency Working Group on Health Care Quality. Requires the President to convene an Interagency Working Group on Health Care Quality comprised of Federal agencies to collaborate on the development and dissemination of quality initiatives consistent with the national strategy.

Sec. 3013. Quality measure development. Authorizes \$75 million over 5 years for the development of quality measures at the Agency for Healthcare Research and Quality (AHRQ) and the Centers for Medicare & Medicaid Services (CMS). Quality measures developed under this section will be consistent with the national strategy. As amended by Section 10303, requires the Secretary of HHS to develop and publicly report on patient outcomes measures.

Sec. 3014. Quality measurement. Provides \$20 million to support the endorsement and use of endorsed quality and efficiency measures by the Secretary of HHS for use in Medicare, reporting performance information to the public, and in health care programs.

Sec. 3015. Data Collection; Public Reporting. Requires the Secretary to collect and aggregate consistent data on quality and resource use measures from information systems used to support health care delivery to implement the public reporting of performance information. As amended by Section 10305, requires the Secretary of HHS to develop a plan for the collection and public reporting of quality measures.

Part III – Encouraging Development of New Patient Care Models

Sec. 3021. Establishment of Center for Medicare & Medicaid Innovation within CMS.

Establishes within the Centers for Medicare & Medicaid Services (CMS) a Center for Medicare & Medicaid Innovation. The purpose of the Center will be to research, develop, test, and expand innovative payment and delivery arrangements to improve the quality and reduce the cost of care provided to patients in each program. Dedicated funding is provided to allow for testing of models that require benefits not currently covered by Medicare. Successful models can be expanded nationally. Section 10306 adds payment reform models to the list of projects for the Center to consider, including rural telehealth expansions and the development of a rapid learning network. Ensures that quality measures used by the Center are consistent with the quality framework within the underlying bill, and requires the Secretary to focus on models that both improve quality and reduce costs.

Sec. 3022. Medicare shared savings program. Rewards Accountable Care Organizations (ACOs) that take responsibility for the costs and quality of care received by their patient panel over time. ACOs can include groups of health care providers (including physician groups, hospitals, nurse practitioners and physician assistants, and others). ACOs that meet quality-of-care targets and reduce the costs of their patients relative to a spending benchmark are rewarded with a share of the savings they achieve for the Medicare program. Section 10307 provides additional flexibility to the Secretary of HHS to implement innovative payment models for participating Accountable Care Organizations, including models currently used in the private sector.

Sec. 3023. National pilot program on payment bundling. Directs the Secretary to develop a national, voluntary pilot program encouraging hospitals, doctors, and post-acute care providers to improve patient care and achieve savings for the Medicare program through bundled payment models. Requires the Secretary to establish this program by January 1, 2013 for a period of five years. Before January 1, 2016, the Secretary is also required to submit a plan to Congress to expand the pilot program if doing so will improve patient care and reduce spending. Section 10308 provides the Secretary of HHS authority to expand the payment bundling pilot if it is found to improve quality and reduce costs. Also, directs the Secretary to test bundled payment arrangements involving continuing care hospitals within the bundling pilot program.

Sec. 3024. Independence at home demonstration program. Creates a new demonstration program for chronically ill Medicare beneficiaries to test a payment incentive and service delivery system that utilizes physician and nurse practitioner directed home-based primary care teams aimed at reducing expenditures and improving health outcomes.

Sec. 3025. Hospital readmissions reduction program. Beginning in FY2012, this provision adjusts payments for hospitals paid under the inpatient prospective payment system based on the dollar value of each hospital's percentage of potentially preventable Medicare readmissions for the three conditions with risk adjusted readmission measures that are currently endorsed by the National Quality Forum. Also, provides the Secretary authority to expand the policy to additional conditions in future years and directs the Secretary to calculate and make publicly available information on all patient hospital readmission rates for certain conditions. Section 10309 makes a technical correction to the hospital readmissions payment policy establishing in the underlying section.

Sec. 3026. Community-based care transitions program. Provides funding to hospitals and community-based entities that furnish evidence-based care transition services to Medicare beneficiaries at high risk for readmission.

Sec. 3027. Extension of gainsharing demonstration. The Deficit Reduction Act of 2005 authorized a demonstration to evaluate arrangements between hospitals and physicians designed to improve the quality and efficiency of care provided to beneficiaries. This provision extends the demonstration through September 30, 2011 and extends the date for the final report to Congress on the demonstration to September 30, 2012. It also authorizes an additional \$1.6 million in FY2010 for carrying out the demonstration.

Subtitle B – Improving Medicare for Patients and Providers

Part I – Ensuring Beneficiary Access to Physician Care and Other Services

Sec. 3101. Increase in the physician payment update. This section is repealed by Section 10310.

Sec. 3102. Extension of the work geographic index floor and revisions to the practice expense geographic adjustment under the Medicare physician fee schedule. Extends a floor on geographic adjustments to the work portion of the fee schedule through the end of 2010, with the effect of increasing practitioner fees in rural areas. Also provides immediate relief to areas negatively impacted by the geographic adjustment for practice expenses, and requires the Secretary of HHS to improve the methodology for calculating practice expense adjustments beginning in 2012. As amended by Section 1108 of the *Reconciliation Act*, accelerates phase-in of Medicare physician practice expense adjustment for areas with below average practice expense payment rates. In 2010, the national blend would be increased from ¼ to ½.

Sec. 3103. Extension of exceptions process for Medicare therapy caps. Extends the process allowing exceptions to limitations on medically necessary therapy until December 31, 2010.

Sec. 3104. Extension of payment for technical component of certain physician pathology services. Extends a provision that directly reimburses qualified rural hospitals for certain clinical laboratory services through the end of 2010.

Sec. 3105. Extension of ambulance add-ons. Extends bonus payments made by Medicare for ground and air ambulance services in rural and other areas through the end of 2010. Section 10311 requires the Secretary of HHS to implement the extension of the ambulance payment bonuses on January 1, 2010.

Sec. 3106. Extension of certain payment rules for long-term care hospital services and of moratorium on the establishment of certain hospitals and facilities. Extends Sections 114 (c) and (d) of the Medicare, Medicaid and SCHIP Extension Act of 2007 by two years, as amended by Section 10312.

Sec. 3107. Extension of physician fee schedule mental health add-on. Increases the payment rate for psychiatric services by 5 percent for two years, through the end of 2010.

Sec. 3108. Permitting physician assistants to order post-hospital extended care services. Authorizes physician assistants to order skilled nursing care services in the Medicare program beginning in 2011.

Sec. 3109. Exemption of certain pharmacies from accreditation requirements. Allows pharmacies with less than 5 percent of revenues from Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) billings to be exempt from accreditation requirements until the Secretary of HHS develops pharmacy-specific standards.

Sec. 3110. Part B special enrollment period for disabled TRICARE beneficiaries. Creates a twelve-month special enrollment period for military retirees, their spouses (including widows/widowers) and dependent children, who are otherwise eligible for TRICARE and entitled to Medicare Part A based on disability or ESRD, but who have declined Part B.

Sec. 3111. Payment for bone density tests. Restores payment for dual-energy x-ray absorptiometry (DXA) services furnished during 2010 and 2011 to 70 percent of the Medicare rate paid in 2006.

Sec. 3112. Revision to the Medicare Improvement Fund. Eliminates the remaining funds in the Medicare Improvement Fund.

Sec. 3113. Treatment of certain complex diagnostic laboratory tests. Creates a demonstration program to test the impact of direct payments for certain complex laboratory tests on Medicare quality and costs.

Sec. 3114. Improved access for certified nurse-midwife services. Increases the payment rate for certified nurse midwives for covered services from 65 percent of the rate that would be paid were a physician performing a service to the full rate.

PART II – Rural Protections

Sec. 3121. Extension of outpatient hold harmless provision. Extends the existing outpatient hold harmless provision through the end of FY2010 and allows Sole Community Hospitals with more than 100 beds to also be eligible to receive this adjustment through the end of FY2010.

Sec. 3122. Extension of Medicare reasonable costs payments for certain clinical diagnostic laboratory tests furnished to hospital patients in certain rural areas. Reinstates the policy included in the Medicare Modernization Act of 2003 (P.L. 108-173) that provides reasonable cost reimbursement for laboratory services provided by certain small rural hospitals from July 1, 2010 to July 1, 2011.

Sec. 3123. Extension of the Rural Community Hospital Demonstration Program. Extends the program for five years, as amended by Section 10313, expands eligible sites to additional

States and additional rural hospitals, and makes adjustments to payment levels provided within the demonstration program.

Sec. 3124. Extension of the Medicare-dependent hospital (MDH) program. Extends the Medicare-dependent hospital program by one year through October 1, 2012. Also, requires HHS to study whether certain urban hospitals should qualify for the MDH program.

Sec. 3125. Temporary improvements to the Medicare inpatient hospital payment adjustment for low-volume hospitals. Expands the program providing a temporary adjustment to inpatient hospital payments for certain low-volume hospitals through FY2012 and modifies eligibility requirements regarding distance from another facility. Also, in Section 10314, modifies requirements regarding the number of eligible discharges.

Sec. 3126. Improvements to the demonstration project on community health integration models in certain rural counties. The Medicare Improvements for Patients and Providers Act (MIPPA, P.L. 110-275) authorized a demonstration project that allows eligible rural entities to test new models for the delivery of health care services in rural areas. This provision expands the demonstration to allow additional counties to participate and also allows physicians to participate in the demonstration project.

Sec. 3127. MedPAC study on adequacy of Medicare payments for health care providers serving in rural areas. This provision requires MedPAC to review payment adequacy for rural health care providers serving the Medicare program, including an analysis of the rural payment adjustments included in this legislation and beneficiaries' access to care in rural communities.

Sec. 3128. Technical correction related to critical access hospital services. This provision clarifies that CAHs can continue to be eligible to receive 101 percent of reasonable costs for providing outpatient care regardless of eligible billing method the facility uses and for providing qualifying ambulance services.

Sec. 3129. Extension of and revisions to Medicare rural hospital flexibility program. This provision extends the Flex Grant program through 2012 and allows Flex grant funding to be used to support rural hospitals' efforts to implement delivery system reform programs, such as value-based purchasing programs, bundling, and other quality programs.

Part III – Improving Payment Accuracy

Sec. 3131. Payment adjustments for home health care. This provision directs the Secretary to improve payment accuracy through rebasing home health payments starting in 2014, as amended by Section 10315, based on an analysis of the current mix of services and intensity of care provided to home health patients. The provision also establishes a 10 percent cap on the amount of reimbursement a home health provider can receive from outlier payments and reinstates an add-on payment for rural home health providers from April 1, 2010 through 2015. In addition, it requires the Secretary to submit a report to Congress by March 1, 2011 on recommended payment reforms related to serving patients with varying severity of illness or to improve beneficiary access to care. As amended by Section 10315, directs the Secretary to study

improving access to home health care for certain patients, including those with high-severity levels of illness, low-income, and living in underserved areas, and provides the Secretary authority to conduct a demonstration program based on the results of the study.

Sec. 3132. Hospice reform. This provision requires the Secretary to update Medicare hospice claims forms and cost reports by 2011. Based on this information, the Secretary is required to implement changes to the hospice payment system to improve payment accuracy in FY2013. The Secretary will also impose certain requirements on hospice providers designed to increase accountability in the Medicare hospice program.

Sec. 3133. Improvement to Medicare disproportionate share hospital (DSH) payments. This provision requires the Secretary to update hospital payments to better account for hospitals' uncompensated care costs. Starting in FY2014, hospitals' Medicare Disproportionate Share Hospital (DSH) payments will be reduced to reflect lower uncompensated care costs relative to increases in the number of insured. As amended by Section 1104 of the *Reconciliation Act*, reduces the 10-year reduction in Medicare DSH payments by \$3 billion.

Sec. 3134. Misvalued codes under the physician fee schedule. Directs the Secretary to regularly review fee schedule rates for physician services paid for by Medicare, including services that have experienced high growth rates. Strengthens the Secretary's authority to adjust fees schedule rates that are found to be misvalued or inaccurate.

Sec. 3135. Modification of equipment utilization factor for advanced imaging services. As amended by Section 1107 of the *Reconciliation Act*, effective January 1, 2011, takes into account the CMS imaging rule that went into effect on January 1, 2010, but sets the assumed utilization rate at 75 percent for the practice expense portion of advanced diagnostic imaging services. Excludes low-tech imaging such as ultrasound, x-rays and EKGs from this adjustment. Also adjusts the technical component discount on single session imaging studies on contiguous body parts from 25 percent to 50 percent.

Sec. 3136. Revision of payment for power-driven wheelchairs. Eliminates the option for Medicare to purchase power-driven wheelchairs with a lump-sum payment at the time the chair is supplied. Medicare would continue to make the same payments for power-driven chairs over a 13-month period. Purchase option for complex rehabilitative power wheelchairs would be maintained.

Sec. 3137. Hospital wage index improvement. Extends reclassifications under section 508 of the Medicare Modernization Act (P.L. 108-173) through the end of FY2010. In addition, requires the Secretary to provide recommendations to Congress on ways to comprehensively reform the Medicare wage index system by December 31, 2011. Also directs the Secretary to restore the reclassification thresholds used to determine hospital reclassifications to the percentages used in FY2009, starting in FY2011 until the first fiscal year that is on or after the date the Secretary submits the report to Congress on reforming the wage index system. Section 10317 clarifies the Secretary may only use wage data of certain eligible hospitals in carrying out this provision if doing so does not result in lower wage index adjustments for affected facilities.

Sec. 3138. Treatment of certain cancer hospitals. Directs the Secretary to study whether existing cancer hospitals that are exempt from the inpatient prospective payment system have costs under the outpatient prospective payment system (OPPS) that exceed costs of other hospitals, and to make an appropriate payment adjustment under OPPS based on that analysis.

Sec. 3139. Payment for biosimilar biological products. Sets the add-on payment rate for biosimilar products reimbursement under Medicare Part B at 6 percent of the average sales price of the brand biological product.

Sec. 3140. Medicare hospice concurrent care demonstration program. Directs the Secretary to establish a three-year demonstration program that would allow patients who are eligible for hospice care to also receive all other Medicare covered services during the same period of time. The demonstration will be conducted in up to 15 hospice programs in both rural and urban areas and will evaluate the impacts of the demonstration on patient care, quality of life and spending in the Medicare program.

Sec. 3141. Application of budget neutrality on a national basis in the calculation of the Medicare hospital wage index floor. Starting on October 1, 2010, the provision requires application of budget neutrality associated with the effect of the imputed rural and rural floor to be applied on a national, rather than State-specific basis through a uniform, national adjustment to the area wage index.

Sec. 3142. HHS study on urban Medicare-dependent hospitals. Requires the Secretary to conduct a study on the need for additional Medicare payments for certain urban Medicare-dependent hospitals paid under the inpatient prospective payment system.

Sec. 3143. Protecting home health benefits. Ensures that guaranteed Medicare home health benefits will not be reduced.

Subtitle C – Provisions Related to Part C

Sec. 3201. Medicare Advantage payment. This section was repealed by Section 1102 of the *Reconciliation Act*, described below.

Sec. 3202. Benefit protection and simplification. Prohibits Medicare Advantage plans from charging beneficiaries cost sharing for covered services that is greater than what is charged under the traditional fee-for-service program. Requires plans that provide extra benefits to give priority to cost sharing reductions, wellness and preventive care, and then benefits not covered under Medicare.

Sec. 3203. Application of coding intensity adjustment during MA payment transition. This section was repealed by Section 1102 of the *Reconciliation Act*, described below.

Sec. 3204. Simplification of annual beneficiary election periods. Provides extra time for CMS, Medicare Advantage plans and prescription drug plans to process enrollment paperwork during annual enrollment periods and eliminates a duplicative open enrollment period for

Medicare Advantage plans. Allows beneficiaries to disenroll from a Medicare Advantage plan and return to the traditional fee-for-service program from January 1 to March 15 of each year.

Sec. 3205. Extension for specialized MA plans for special needs individuals. Extends the Special Needs Plan (SNP) program through 2013 and requires SNPs to be approved by the National Committee for Quality Assurance (NCQA). Allows HHS to apply a frailty payment adjustment to fully-integrated, dual-eligible SNPs that enroll frail populations. Requires HHS to transition beneficiaries enrolled in SNPs that do not meet statutory target definitions and requires dual-eligible SNPs to contract with State Medicaid programs beginning 2013. Also requires an evaluation of Medicare Advantage risk adjustment for chronically ill populations.

Sec. 3206. Extension of reasonable cost contracts. Extends the period of time for which cost plans may operate in areas that have other health plan options.

Sec. 3207. Technical correction to MA private fee-for-service plans. Allows employer-sponsored private fee-for-service plans authorized under 1857(i)(2) with current enrollment to use, beginning 2011, a CMS service area waiver available to employer and union group health plans that are coordinated care plans.

Sec. 3208. Making senior housing facility demonstration permanent. Allows demonstration plans that serve residents in continuing care retirement communities to operate under the Medicare Advantage program.

Sec. 3209. Authority to deny plan bids. Authorizes the Secretary of HHS to deny bids submitted by Medicare Advantage and prescription plans, beginning in 2011, that propose to significantly increase beneficiary cost sharing or decrease benefits offered under the plan.

Sec. 3209. Development of new standards for certain Medigap plans. Requires HHS to request NAIC revisions to the standards for benefit packages classified as “C” and “F” so that these packages include nominal cost sharing that encourages the use of appropriate Part B physician services.

Subtitle D – Medicare Part D Improvements for Prescription Drug Plans and MA–PD Plans

Sec. 3301. Medicare coverage gap discount program. Requires drug manufacturers to provide a 50 percent discount to Part D beneficiaries for brand-name drugs and biologics purchased during the coverage gap beginning January 1, 2011.

Sec. 3302. Improvement in determination of Medicare part D low-income benchmark premium. Removes Medicare Advantage rebates and quality bonus payments from the calculation of the low-income subsidy benchmark.

Sec. 3303. Voluntary de minimis policy for subsidy-eligible individuals under prescription drug plans and MA–PD plans. Allows Part D plans that bid a nominal amount above the regional low-income subsidy (LIS) benchmark to absorb the cost of the difference between their bid and the LIS benchmark in order to remain a \$0 premium LIS plan.

Sec. 3304. Special rule for widows and widowers regarding eligibility for low-income assistance. Allows the surviving spouse of an LIS-eligible couple to delay LIS redetermination for one year after the death of a spouse.

Sec. 3305. Improved information for subsidy-eligible individuals reassigned to prescription drug plans and MA–PD plans. Requires HHS, beginning in 2011, to transmit formulary and coverage determination information to subsidy-eligible beneficiaries who have been automatically reassigned to a new Part D low-income subsidy plan.

Sec. 3306. Funding outreach and assistance for low-income programs. Provides \$45 million for outreach and education activities to State Health Insurance Programs, Administration on Aging, Aging Disability Resource Centers, and the National Benefits Outreach and Enrollment.

Sec. 3307. Improving formulary requirements for prescription drug plans and MA–PD plans with respect to certain categories or classes of drugs. Codifies the current six classes of clinical concern, removes the criteria specified in section 176 of MIPPA that would have been used by HHS to identify protected classes of drugs, and gives the Secretary authority to identify classes of clinical concern through rulemaking.

Sec. 3308. Reducing part D premium subsidy for high-income beneficiaries. Reduces the Part D premium subsidy for beneficiaries with incomes above the Part B income thresholds.

Sec. 3309. Elimination of cost sharing for certain dual-eligible individuals. Eliminates cost sharing for beneficiaries receiving care under a home and community-based waiver program who would otherwise require institutional care.

Sec. 3310. Reducing wasteful dispensing of outpatient prescription drugs in long-term care facilities under prescription drug plans and MA-PD plans. Requires Part D plans to develop drug dispensing techniques to reduce prescription drug waste in long-term care facilities.

Sec. 3311. Improved Medicare prescription drug plan and MA–PD plan complaint system. Requires the Secretary to develop and maintain a plan complaint system to handle complaints regarding Medicare Advantage and Part D plans or their sponsors.

Sec. 3312. Uniform exceptions and appeals process for prescription drug plans and MA–PD plans. Requires Part D plans to use a single, uniform exceptions and appeals process.

Sec. 3313. Office of the Inspector General studies and reports. Requires the OIG to conduct a study comparing prescription drug prices paid under the Medicare Part D program to those paid under State Medicaid programs.

Sec. 3314. Including costs incurred by AIDS drug assistance programs and Indian Health Service in providing prescription drugs toward the annual out-of-pocket threshold under part D. Allows drugs provided to beneficiaries by AIDS Drug Assistance Programs or the Indian Health Service to count toward the annual out-of-pocket threshold.

Sec. 3315. Immediate reduction in coverage gap for 2010. This section was repealed by Section 1101 of the *Reconciliation Act*, described below.

Subtitle E – Ensuring Medicare Sustainability

Sec. 3401. Revision of certain market basket updates and incorporation of productivity improvements into market basket updates that do not already incorporate such improvements. Incorporates a productivity adjustment into the market basket update for inpatient hospitals, home health providers, nursing homes, hospice providers, inpatient psychiatric facilities, long-term care hospitals and inpatient rehabilitation facilities beginning in various years and implements additional market basket reductions for certain providers. Incorporate a productivity adjustment into payment updates for Part B providers who do not already have such an adjustment. Section 10319 modifies market basket adjustments for inpatient hospitals, inpatient rehabilitation facilities, inpatient psychiatric hospitals and outpatient hospitals in 2012 and 2013 and for long-term care hospitals in 2011, 2012 and 2013. Also, modifies market basket adjustments for home health providers in 2013 and hospice providers in 2013 through 2019. Section 1105 of the *Reconciliation Act* revises the hospital market basket reduction that is in addition to the productivity adjustment as follows: -0.3 in FY2014 and -0.75 in FY2017, FY2018 and FY2019. Removes Senate provision that eliminates the additional market basket for hospitals based on coverage levels. Providers affected are inpatient hospitals, long-term care hospitals, inpatient rehabilitation facilities, psychiatric hospitals and outpatient hospitals.

Sec. 3402. Temporary adjustment to the calculation of part B premiums. For higher-income beneficiaries who pay a higher Part B premium rate, freezes the income thresholds at 2010 levels through 2019.

Sec. 3403. Independent Payment Advisory Board. Creates an independent, 15-member Payment Advisory Board tasked with presenting Congress with comprehensive proposals to reduce excess cost growth and improve quality of care for Medicare beneficiaries. In years when Medicare costs are projected to be unsustainable, the Board’s proposals will take effect unless Congress passes an alternative measure that achieves the same level of savings. Congress would be allowed to consider an alternative provision on a fast-track basis. The Board would be prohibited from making proposals that ration care, raise taxes or Part B premiums, or change Medicare benefit, eligibility, or cost-sharing standards. As amended by Section 10320, requires the Board to make annual recommendations to the President, Congress, and private entities on actions they can take to improve quality and constrain the rate of cost growth in the private sector. Requires the Board to make non-binding Medicare recommendations to Congress in years in which Medicare growth is below the targeted growth rate. Clarifies that the Board is prohibited from making recommendations that would reduce premium supports for low-income Medicare beneficiaries. Beginning in 2020, limits the Board’s binding recommendations to Congress to only every-other-year if the growth in overall health spending exceeds growth in Medicare spending; such recommendations would focus on slowing overall health spending while maintaining or enhancing beneficiary access to quality care under Medicare. Changes the name of the Board to the “Independent Payment Advisory Board.”

Subtitle F—Health Care Quality Improvements

Sec. 3501. Health care delivery system research; Quality improvement technical assistance.

Builds on the Center for Quality Improvement and Patient Safety of the Agency for Healthcare Research and Quality (AHRQ) to support research, technical assistance and process implementation grants. Grants funded under this section will identify, develop, evaluate, disseminate, and provide training in innovative methodologies and strategies for quality improvement practices in the delivery of health care services.

Sec. 3502. Grants or contracts to establish community health teams to support the patient-centered medical home.

Creates a program to establish and fund the development of community health teams to support the development of medical homes by increasing access to comprehensive, community based, coordinated care. Section 10321 clarifies that nurse practitioners and other primary care providers can participate in community care teams.

Sec. 3503. Grants to implement medication management services in treatment of chronic disease.

Creates a program to support medication management services by local health providers. Medication management services will help manage chronic disease, reduce medical errors, and improve patient adherence to therapies while reducing acute care costs and reducing hospital readmissions.

Sec. 3504. Design and implementation of regionalized systems for emergency care.

Provides funding to the Assistant Secretary for Preparedness and Response to support pilot projects that design, implement, and evaluate innovative models of regionalized, comprehensive, and accountable emergency care and trauma systems. Requires the Secretary of HHS to support emergency medicine research, including pediatric emergency medical research.

Sec. 3505. Trauma care centers and service availability.

Reauthorizes and improves the trauma care program, providing grants administered by the Secretary of HHS to States and trauma centers to strengthen the nation's trauma system. Grants are targeted to assist trauma care centers in underserved areas susceptible to funding and workforce shortages.

Sec. 3506. Program to facilitate shared decisionmaking.

Establishes a program at HHS for the development, testing, and disseminating of educational tools to help patients, caregivers, and authorized representatives understand their treatment options.

Sec. 3507. Presentation of prescription drug benefit and risk information.

Requires the Food and Drug Administration (FDA) to evaluate and determine if the use of drug fact boxes which would clearly communicate drug risks and benefits and support clinician and patient decision making in advertising and other forms of communication for prescription medications is warranted.

Sec. 3508. Demonstration program to integrate quality improvement and patient safety training into clinical education of health professionals.

Establishes a program at AHRQ to

give grants to academic institutions to develop and implement academic curricula that integrate quality improvement and patient safety into health professionals' clinical education.

Sec. 3509. Office of women's health. Provides for women's health offices at various Federal agencies to improve prevention, treatment, and research for women in health programs.

Sec. 3510. Patient navigator program. Reauthorizes demonstration programs to provide patient navigator services within communities to assist patients in overcoming barriers to health services. Programs facilitate care by assisting individuals in coordinating health services and provider referrals, assisting community organizations in helping individuals receive better access to care, information on clinical trials, and conducting outreach to health disparity populations.

Sec. 3511. Authorization of appropriations.

Sec. 3512. GAO study and report on causes of action. As added by Section 10201, directs the Comptroller General to conduct a study, within two years of enactment, as to whether implementation of provisions in the legislation would result in the establishment of a new cause of action or claim.

Subtitle G – Protecting and Improving Guaranteed Medicare Benefits

Sec. 3601. Protecting and improving guaranteed Medicare benefits. Reaffirms that Medicare guaranteed benefits will not be reduced and that any savings generated for the Medicare program will extend the solvency of the Medicare trust funds, reduce Medicare premiums and cost-sharing, and improve or expand guaranteed Medicare benefits or protect access to providers.

Sec. 3602. No cuts in guaranteed benefits. Reaffirms that benefits guaranteed to Medicare Advantage plan participants will not be reduced or eliminated.

TITLE IV—PREVENTION OF CHRONIC DISEASE AND IMPROVING PUBLIC HEALTH

Subtitle A – Modernizing Disease Prevention and Public Health Systems

Sec. 4001. National Prevention, Health Promotion and Public Health Council. Creates an interagency council dedicated to promoting healthy policies at the Federal level. The Council shall consist of representatives of Federal agencies that interact with Federal health and safety policy, including the departments of HHS, Agriculture, Education, Labor, Transportation, and others. The Council will establish a national prevention and health promotion strategy and develop interagency working relationships to implement the strategy. The Council will report annually to Congress on the health promotion activities of the Council and progress in meeting goals of the national strategy.

Sec. 4002. Prevention and Public Health Fund. Establishes a Prevention and Public Health Investment Fund. The goal of the Investment Fund is to provide an expanded and sustained

national investment in prevention and public health programs to improve health and help restrain the rate of growth in private and public sector health care costs. This will involve a dedicated, stable funding stream for prevention, wellness and public health activities authorized by the Public Health Service Act.

Sec. 4003. Clinical and community preventive services. Expands the efforts of, and improves the coordination between, two task forces which provide recommendations for preventive interventions. The U.S. Preventive Services Task Force is an independent panel of experts in primary care and prevention that systematically reviews the evidence of effectiveness of clinical preventive services such as colorectal cancer screening or aspirin to prevent heart disease, and develops recommendations for their use. The Community Preventive Services Task Force uses a public health perspective to review the evidence of effectiveness of population-based preventive services such as tobacco cessation, increasing physical activity and preventing skin cancer, and develops recommendations for their use.

Sec. 4004. Education and outreach campaign regarding preventive benefits. Directs the Secretary to convene a national public/private partnership for the purposes of conducting a national prevention and health promotion outreach and education campaign. The goal of the campaign is to raise awareness of activities to promote health and prevent disease across the lifespan. The Secretary will conduct a national media campaign on health promotion and disease prevention focusing on nutrition, physical activity, and smoking cessation using science-based social research. The Secretary shall also maintain a web-based portal that provides informational guidelines on health promotion and disease prevention to health care providers and the public as well as a personalized prevention plan tool for individuals to determine their disease risks and obtain tailored guidance on health promotion and disease prevention. In addition, the Secretary will provide guidance and relevant information to States and health care providers regarding preventive and obesity-related services that are available to Medicaid enrollees, including obesity screening and counseling for children and adults. Each State would be required to design a public awareness campaign to educate Medicaid enrollees regarding availability and coverage of such services.

Subtitle B – Increasing Access to Clinical Preventive Services

Sec. 4101. School-based health centers. Authorizes a grant program for the operation and development of School-Based Health Clinics, which will provide comprehensive and accessible preventive and primary health care services to medically underserved children and families. Appropriates \$50 million each year for fiscal years 2010 through 2013 for expenditures for facilities and equipment. Section 10402 adds vision services to the list of health services for which a School Based Health Center should provide referrals.

Sec. 4102. Oral healthcare prevention activities. Establishes an oral healthcare prevention education campaign at CDC focusing on preventive measures and targeted towards key populations including children and pregnant women. Creates demonstration programs on oral health delivery and strengthens surveillance capacity.

Sec. 4103. Medicare coverage of annual wellness visit providing a personalized prevention plan. Provides coverage under Medicare, with no co-payment or deductible, for an annual wellness visit and personalized prevention plan services. Such services would include a comprehensive health risk assessment. The personalized prevention plan would take into account the findings of the health risk assessment and include elements such as: a five- to ten-year screening schedule; a list of identified risk factors and conditions and a strategy to address them; health advice and referral to education and preventive counseling or community-based interventions to address modifiable risk factors such as physical activity, smoking, and nutrition. Section 10402 clarifies that Medicare beneficiaries are eligible for the initial preventive physical exam in their first year of Medicare coverage and for personalized prevention services annually thereafter.

Sec. 4104. Removal of barriers to preventive services in Medicare. Waives beneficiary coinsurance requirements for most preventive services, requiring Medicare to cover 100 percent of the costs. Services for which no coinsurance or deductible would be required are the personalized prevention plan services and any covered preventive service if it is recommended with a grade of A or B by the U.S. Preventive Services Task Force. Section 10406 clarifies that Medicare beneficiaries do not have to pay coinsurance (including co-pays and deductibles) for preventive services delivered in all settings.

Sec. 4105. Evidence-based coverage of preventive services in Medicare. Authorizes the Secretary to modify the coverage of any currently covered preventive service in the Medicare program to the extent that the modification is consistent with U.S. Preventive Services Task Force recommendations and the services are not used for diagnosis or treatment. The Secretary will also conduct a provider and beneficiary outreach program regarding covered preventive services. This section also authorizes a Government Accountability Office (GAO) study of the utilization of and payment for Medicare-covered preventive services, the use of health information technology in coordinating such services, and whether there are barriers to the utilization of such services.

Sec. 4106. Improving access to preventive services for eligible adults in Medicaid. The current Medicaid State option to provide other diagnostic, screening, preventive, and rehabilitation services would be expanded to include: (1) any clinical preventive service recommended with a grade of A or B by the U.S. Preventive Services Task Force and (2) with respect to adults, immunizations recommended by the Advisory Committee on Immunization Practices (ACIP) and their administration. States that elect to cover these additional services and vaccines, and also prohibit cost-sharing for such services and vaccines, would receive an increased Federal medical assistance percentage (FMAP) of one percentage point for these services.

Sec. 4107. Coverage of comprehensive tobacco cessation services for pregnant women in Medicaid. States will be required to provide Medicaid coverage for counseling and pharmacotherapy to pregnant women for cessation of tobacco use. Such services include diagnostic, therapy and counseling services, and prescription and nonprescription tobacco cessation agents approved by the Food and Drug Administration for cessation of tobacco use by pregnant women. This section also prohibits cost-sharing for these services.

Sec. 4108. Incentives for prevention of chronic diseases in Medicaid. The Secretary will award grants to States to provide incentives for Medicaid beneficiaries to participate in programs providing incentives for healthy lifestyles. These programs must be comprehensive and uniquely suited to address the needs of Medicaid eligible beneficiaries and must have demonstrated success in helping individuals lower or control cholesterol and/or blood pressure, lose weight, quit smoking and/or manage or prevent diabetes, and may address co-morbidities, such as depression, associated with these conditions.

Subtitle C – Creating Healthier Communities

Sec. 4201. Community transformation grants. This section authorizes the Secretary to award competitive grants to eligible entities for programs that promote individual and community health and prevent the incidence of chronic disease. Communities can carry out programs to prevent and reduce the incidence of chronic diseases associated with overweight and obesity, tobacco use, or mental illness, or other activities that are consistent with the goals of promoting healthy communities. Section 10403 ensures that 20 percent of the Community Transformation Grants are awarded to rural and frontier areas.

Sec. 4202. Healthy aging, living well; evaluation of community-based prevention and wellness programs for Medicare beneficiaries. The goal of this program is to improve the health status of the pre-Medicare-eligible population to help control chronic disease and reduce Medicare costs. The CDC will provide grants to States or large local health departments to conduct pilot programs in the 55-to-64 year old population. Pilot programs would evaluate chronic disease risk factors, conduct evidence-based public health interventions, and ensure that individuals identified with chronic disease or at-risk for chronic disease receive clinical treatment to reduce risk. Pilot programs will be evaluated for success in controlling Medicare costs in the community. Additionally, the Centers for Medicare & Medicaid Services (CMS) will conduct a comprehensive assessment of community-based disease self-management programs that help control chronic diseases. The Secretary will then develop a plan for improving access to such services for Medicare beneficiaries.

Sec. 4203. Removing barriers and improving access to wellness for individuals with disabilities. Requires the Access Board to establish standards for accessibility of medical diagnostic equipment to individuals with disabilities.

Sec. 4204. Immunizations. Authorizes States to purchase adult vaccines under CDC contracts. Currently, 23 States purchase vaccines under CDC contracts. These contracts for adult vaccines provide savings that range from 23-69 percent compared to the private sector cost. Authorizes a demonstration program to improve immunization coverage. Under this program, CDC will provide grants to States to improve immunization coverage of children, adolescents, and adults through the use of evidence-based interventions. States may use funds to implement interventions that are recommended by the Community Preventive Services Task Force, such as reminders or recalls for patients or providers, or home visits. Reauthorizes the Immunization Program in Section 317 of the Public Health Service Act. This section also requires a GAO study

and report to Congress on coverage of vaccines under Medicare Part D and the impact on access to those vaccines.

Sec. 4205. Nutrition labeling of standard menu items at chain restaurants. This initiative represents a compromise between the Menu Education and Labeling (MEAL) Act, sponsored by Senator Harkin, and the Labeling Education and Nutrition (LEAN) Act, sponsored by Senators Carper and Murkowski. Under the terms of the compromise, a restaurant that is part of a chain with 20 or more locations doing business under the same name (other restaurants are exempt) would be required to disclose calories on the menu board and in a written form, available to customers upon request, additional nutrition information pertaining to total calories and calories from fat, as well as amounts of fat, saturated fat, cholesterol, sodium, total carbohydrates, complex carbohydrates, sugars, dietary fiber, and protein.

Sec. 4206. Demonstration project concerning individualized wellness plan. This pilot program provides at-risk populations who utilize community health centers with a comprehensive risk-factor assessment and an individualized wellness plan designed to reduce risk factors for preventable conditions.

Sec. 4207. Reasonable break time for nursing mothers. This initiative amends the Fair Labor Standard Act to require employers to provide break time and a place for breastfeeding mothers to express milk. This does not apply to an employer with fewer than 50 employees, and there are no monetary damages.

Subtitle D – Support for Prevention and Public Health Innovation

Sec. 4301. Research on optimizing the delivery of public health services. The Secretary, acting through the Director of CDC, shall provide funding for research in the area of public health services and systems. This research shall include examining best practices relating to prevention, analyzing the translation of interventions from academic institutions to clinics and communities, and identifying effective strategies for delivering public health services in real world settings. CDC shall annually report research findings to Congress.

Sec. 4302. Understanding health disparities; data collection and analysis. Ensures that any ongoing or new Federal health program achieve the collection and reporting of data by race, ethnicity, primary language and any other indicator of disparity. The Secretary shall analyze data collected to detect and monitor trends in health disparities and disseminate this information to the relevant Federal agencies.

Sec. 4303. CDC and employer-based wellness programs. Requires the CDC to study and evaluate best employer-based wellness practices and provide an educational campaign and technical assistance to promote the benefits of worksite health promotion to employers.

Sec. 4304. Epidemiology-Laboratory Capacity Grants. Establishes a program at the CDC that awards grants to assist State, local, and tribal public health agencies in improving surveillance for and responses to infectious diseases and other conditions of public health importance. Amounts received under the grants shall be used to strengthen epidemiologic

capacity, enhance laboratory practices, improve information systems, and develop outbreak control strategies. Requires the Director of the CDC to issue national standards on information Exchange systems to public health entities for the reporting of infectious diseases and other conditions of public health importance in consultation with the National Coordinator for Health Information Technology.

Sec. 4305. Advancing research and treatment for pain care management. Authorizes an Institute of Medicine Conference on Pain Care to evaluate the adequacy of pain assessment, treatment, and management; identify and address barriers to appropriate pain care; increase awareness; and report to Congress on findings and recommendations. Also authorizes the Pain Consortium at the National Institutes of Health to enhance and coordinate clinical research on pain causes and treatments. Establishes a grant program to improve health professionals' understanding and ability to assess and appropriately treat pain.

Sec. 4306. Funding for childhood obesity demonstration project. The Children's Health Insurance Program Reauthorization Act of 2009 included several provisions designed to improve the quality of care under Medicaid and CHIP. This law directed the Secretary to initiate a demonstration project to develop a comprehensive and systematic model for reducing childhood obesity. This section appropriates \$25 million for the childhood obesity demonstration project and adjusts the demonstration time period to fiscal years 2010 through 2014.

Subtitle E – Miscellaneous Provisions

Sec. 4401. Sense of the Senate concerning CBO scoring. This section is struck by Section 10405.

Sec. 4402. Effectiveness of Federal health and wellness initiatives. The Secretary of Health and Human Services will evaluate the effectiveness of existing Federal health and wellness initiatives. The Secretary will consider whether such programs are effective in achieving their stated goals and evaluate their effect on the health and productivity of the Federal workforce.

TITLE V—HEALTH CARE WORKFORCE

Subtitle A--Purpose and Definitions

Sec. 5001. Purpose.

Sec. 5002. Definitions.

Subtitle B--Innovations in the Health Care Workforce

Sec. 5101. National health care workforce commission. Establishes a national commission tasked with reviewing health care workforce and projected workforce needs. The overall goal of the Commission is to provide comprehensive, unbiased information to Congress and the Administration about how to align Federal health care workforce resources with national needs. Congress will use this information when providing appropriations to discretionary programs or in

restructuring other Federal funding sources. As amended by Section 10501, adds representation from small businesses to the Commission membership; adds an examination of the barriers of entering and remaining in primary care careers as a high-priority area for the Commission; and includes optometrists and ophthalmologists as members of the health care workforce.

Sec. 5102. State health care workforce development grants. Creates competitive grants for the purpose of enabling State partnerships to complete comprehensive planning and to carry out activities leading to coherent and comprehensive health care workforce development strategies at the State and local levels. Grants will support innovative approaches to increase the number of skilled health care workers, such as health care career pathways for young people and adults.

Sec. 5103. Health care workforce assessment. Codifies the existing national center and establishes several regional centers for health workforce analysis to collect, analyze, and report data related to Title VII (of the Public Health Service Act) primary care workforce programs. The centers will coordinate with State and local agencies collecting labor and workforce statistical information and coordinate and provide analyses and reports on Title VII to the Commission.

Sec. 5104. Interagency task force to assess and improve access to health care in the State of Alaska. As added by Section 10501, establishes a temporary Task Force to assess health care access and develop a strategy to improve health care delivery in Alaska.

Subtitle C--Increasing the Supply of the Health Care Workforce

Sec. 5201. Federally supported student loan funds. Eases current criteria for schools and students to qualify for loans, shortens payback periods, and decreases the non-compliance provision to make the primary care student loan program more attractive to medical students.

Sec. 5202. Nursing student loan program. Increases loan amounts and updates the years for nursing schools to establish and maintain student loan funds.

Sec. 5203. Health care workforce loan repayment programs. Establishes a loan repayment program for pediatric subspecialists and providers of mental and behavioral health services to children and adolescents who are or will be working in a Health Professional Shortage Area, Medically Underserved Area, or with a Medically Underserved Population.

Sec. 5204. Public health workforce recruitment and retention program. Offers loan repayment to public health students and workers in exchange for working at least 3 years at a federal, state, local, or tribal public health agency.

Sec. 5205. Allied health workforce recruitment and retention program. Offers loan repayment to allied health professionals employed at public health agencies or in settings providing health care to patients, including acute care facilities, ambulatory care facilities, residences, and other settings located in Health Professional Shortage Areas, Medically Underserved Areas, or serving Medically Underserved Populations.

Sec. 5206. Grants for States and local programs. Awards scholarships to mid-career public and allied health professionals employed in public and allied health positions at the Federal, State, tribal, or local level to receive additional training in public or allied health fields.

Sec. 5207. Funding for National Health Service Corps. Increases and extends the authorization of appropriations for the National Health Service Corps scholarship and loan repayment program for FY2010-2015.

Sec. 5208. Nurse-managed health clinics. Strengthens the health care safety-net by creating a \$50 million grant program administered by HRSA to support nurse-managed health clinics.

Sec. 5209. Elimination of cap on the Commissioned Corps. Eliminates the artificial cap on the number of Commissioned Corps members, allowing the Corps to expand to meet national public health needs.

Sec. 5210. Establishing a Ready Reserve Corps. Establishes a Ready Reserve Corps within the Commissioned Corps for service in times of national emergency. Ready Reserve Corps members may be called to active duty to respond to national emergencies and public health crises and to fill critical public health positions left vacant by members of the Regular Corps who have been called to duty elsewhere.

Subtitle D--Enhancing Health Care Workforce Education and Training

Sec. 5301. Training in family medicine, general internal medicine, general pediatrics, and physician assistantship. Provides grants to develop and operate training programs, provide financial assistance to trainees and faculty, enhance faculty development in primary care and physician assistant programs, and to establish, maintain, and improve academic units in primary care. Priority is given to programs that educate students in team-based approaches to care, including the patient-centered medical home.

Sec. 5302. Training opportunities for direct care workers. Authorizes funding over three years to establish new training opportunities for direct care workers providing long-term care services and supports.

Sec. 5303. Training in general, pediatric, and public health dentistry. Reinstates a separate line of dental funding in Title VII of the Public Health Service Act. Allows dental schools and education programs to use grants for pre-doctoral training, faculty development, dental faculty loan repayment, and academic administrative units.

Sec. 5304. Alternative dental health care provider demonstration project. Authorizes the Secretary to award grants to establish training programs for alternative dental health care providers to increase access to dental health care services in rural, tribal, and underserved communities.

Sec. 5305. Geriatric education and training; career awards; comprehensive geriatric education. Authorizes funding to geriatric education centers to support training in geriatrics,

chronic care management, and long-term care for faculty in health professions schools and family caregivers; develop curricula and best practices in geriatrics; expand the geriatric career awards to advanced practice nurses, clinical social workers, pharmacists, and psychologists; and establish traineeships for individuals who are preparing for advanced education nursing degrees in geriatric nursing.

Sec. 5306. Mental and behavioral health education and training grants. Awards grants to schools for the development, expansion, or enhancement of training programs in social work, graduate psychology, professional training in child and adolescent mental health, and pre-service or in-service training to paraprofessionals in child and adolescent mental health.

Sec. 5307. Cultural competency, prevention, and public health and individuals with disabilities training. Reauthorizes and expands programs to support the development, evaluation, and dissemination of model curricula for cultural competency, prevention, and public health proficiency and aptitude for working with individuals with disabilities training for use in health professions schools and continuing education programs.

Sec. 5308. Advanced nursing education grants. Strengthens language for accredited Nurse Midwifery programs to receive advanced nurse education grants in Title VIII of the Public Health Service Act.

Sec. 5309. Nurse education, practice, and retention grants. Awards grants to nursing schools to strengthen nurse education and training programs and to improve nurse retention.

Sec. 5310. Loan repayment and scholarship program. Adds faculty at nursing schools as eligible individuals for loan repayment and scholarship programs.

Sec. 5311. Nurse faculty loan program. Establishes a Federally-funded student loan repayment program for nurses with outstanding debt who pursue careers in nurse education. Nurses agree to teach at an accredited school of nursing for at least 4 years within a 6-year period.

Sec. 5312. Authorization of appropriations for parts B through D of title VIII. Authorizes \$338 million to fund Title VIII of the Public Health Service Act nursing programs.

Sec. 5313. Grants to promote the community health workforce. Authorizes the Secretary to award grants to States, public health departments, clinics, hospitals, Federally Qualified Health Centers (FQHCs), and other nonprofits to promote positive health behaviors and outcomes in medically underserved areas through the use of community health workers. Community health workers offer interpretation and translation services, provide culturally appropriate health education and information, offer informal counseling and guidance on health behaviors, advocate for individual and community health needs, and can provide some direct primary care services and screenings. Section 10501 clarifies the definition and activities of community health workers.

Sec. 5314. Fellowship training in public health. Authorizes the Secretary to address workforce shortages in State and local health departments in applied public health epidemiology and public health laboratory science and informatics.

Sec. 5315. United States Public Health Sciences Track. Directs the Surgeon General to establish a U.S. Public Health Sciences Track to train physicians, dentists, nurses, physician assistants, mental and behavior health specialists, and public health professionals emphasizing team-based service, public health, epidemiology, and emergency preparedness and response in affiliated institutions. Students receive tuition remission and a stipend and are accepted as Commission Corps officers in the U.S. Public Health Service with a 2-year service commitment for each year of school covered.

Sec. 5316. Rural physician training grants. As added by Section 10501, establishes a grant program for medical schools to recruit and train medical students to practice medicine in underserved rural communities.

Sec. 5317. Demonstration grants for family nurse practitioner training programs. As added by Section 10501, establishes a training demonstration program that supports recent Family Nurse Practitioner graduates in primary care for a twelve month period in Federally Qualified Health Centers (FQHCs) and nurse-managed health clinics. The demonstration is authorized from 2011 through 2014.

Subtitle E--Supporting the Existing Health Care Workforce

Sec. 5401. Centers of excellence. The Centers of Excellence program, which develops a minority applicant pool to enhance recruitment, training, academic performance and other supports for minorities interested in careers in health, is reauthorized at 150 percent of 2005 appropriations, \$50 million.

Sec. 5402. Health professions training for diversity. Provides scholarships for disadvantaged students who commit to work in medically underserved areas as primary care providers, and expands loan repayments for individuals who will serve as faculty in eligible institutions. Funding is increased from \$37 to \$51 million for 2009 through 2013.

Sec. 5403. Interdisciplinary, community-based linkages. Authorizes funding to establish community-based training and education grants for Area Health Education Centers (AHECs) and Programs. Two programs are supported - Infrastructure Development Awards and Points of Service Enhancement and Maintenance Awards - targeting individuals seeking careers in the health professions from urban and rural medically underserved communities.

Sec. 5404. Workforce diversity grants. Expands the allowable uses of nursing diversity grants to include completion of associate degrees, bridge or degree completion program, or advanced degrees in nursing, as well as pre-entry preparation, advanced education preparation, and retention activities.

Sec. 5405. Primary care extension program. Creates a Primary Care Extension Program to educate and provide technical assistance to primary care providers about evidence-based therapies, preventive medicine, health promotion, chronic disease management, and mental health. The Agency for Healthcare Research and Quality (AHRQ) will award planning and program grants to State hubs including, at a minimum, the State health department, State-level entities administering Medicare and Medicaid, and at least one health professions school. These State hubs may also include Quality Improvement Organizations, AHECs, and other quality and training organizations.

Subtitle F – Strengthening Primary Care and Other Workforce Improvements

Sec. 5501. Expanding access to primary care services and general surgery services. Beginning in 2011, provides primary care practitioners, as well as general surgeons practicing in health professional shortage areas, with a 10 percent Medicare payment bonus for five years. Section 10501 removes the budget-neutrality adjustment that would have offset half of the cost of the primary care and general surgery bonuses.

Sec. 5502. Medicare Federally qualified health center improvements. Directs the Secretary of HHS to develop and implement a prospective payment system (PPS) for Medicare-covered services furnished by Federally Qualified Health Centers (FQHCs). Additionally, adds remaining Medicare-covered preventive services to the list of services eligible for reimbursement when furnished by an FQHC. Section 10501 clarifies that the Secretary of HHS shall vary payments to FQHCs based on the type, duration, and intensity of services they deliver and establishes an annual FQHC market basket update.

Sec. 5503. Distribution of additional residency positions. Beginning July 1, 2011, directs the Secretary to redistribute residency positions that have been unfilled for the prior three cost reports and directs those slots for training of primary care physicians. In distributing the residency slots under this section, special preference will be given to programs located in States with a low physician resident to general population ratio and to programs located in States with the highest ratio of population living in a health professional shortage area (HPSA) relative to the general population.

Sec. 5504. Counting resident time in outpatient settings and allowing flexibility for jointly operated residency training programs. Modifies rules governing when hospitals can receive indirect medical education (IME) and direct graduate medical education (DGME) funding for residents who train in a non-provider setting so that any time spent by the resident in a non-provider setting shall be counted toward DGME and IME if the hospital incurs the costs of the stipends and fringe benefits.

Sec. 5505. Rules for counting resident time for didactic and scholarly activities and other activities. Modifies current law to allow hospitals to count resident time spent in didactic conferences toward IME costs in the provider (i.e., hospital) setting and toward DGME in the non-provider (i.e., non-hospital) setting. Section 10501 clarifies that the Secretary is not required to reopen certain settled cost reports in applying changes to Medicare graduate medical education payment rules related to didactic training.

Sec. 5506. Preservation of resident cap positions from closed hospitals. Directs the Secretary to redistribute medical residency slots from a hospital that closes on or after the date that is two years before enactment of the this legislation based on certain criteria.

Sec. 5507. Demonstration project to address health professions workforce needs; extension of family-to-family health information centers. Establishes a demonstration grant program through competitive grants to provide aid and supportive services to low-income individuals with the opportunity to obtain education and training for occupations in the health care field that pay well and are expected to experience labor shortages or be in high demand. The demonstration grant is to serve low-income persons including recipients of assistance under State Temporary Assistance for Needy Families (TANF) programs.

Also establishes a demonstration program to competitively award grants for up to six States for three years to develop core training competencies and certification programs for personal and home care aides. Extends funding for family-to-family health information centers at \$5 million for FY2010 through FY2012.

Sec. 5508. Increasing teaching capacity. Directs the Secretary to establish a grant program to support new or expanded primary care residency programs at teaching health centers and authorizes \$25 million for FY2010, \$50 million for FY2011 and FY2012 and such sums as may be necessary for each fiscal year thereafter to carry out such program. Also provides \$230 million in funding under the Public Health Service Act to cover the indirect and direct expenses of qualifying teaching health centers related to training primary care residents in certain expanded or new programs.

Sec. 5509. Graduate nurse education demonstration program. This provision directs the Secretary to establish a demonstration program to increase graduate nurse education training under Medicare and authorizes \$50 million to be appropriated from the Medicare Hospital Insurance Trust Fund for each of the fiscal years 2012 through 2015 for such purpose.

Subtitle G--Improving Access to Health Care Services

Sec. 5601. Spending for Federally Qualified Health Centers (FQHCs). Authorizes the following appropriations: FY2010 - \$2.98B; FY2011 - \$3.86B; FY2012 - \$4.99B; FY2013 - \$6.44B; FY2014 - \$7.33B; FY2015 - \$8.33B.

Sec. 5602. Negotiated rulemaking for development of methodology and criteria for designating medically underserved populations and health professions shortage areas. Directs the Secretary, in consultation with stakeholders, to establish a comprehensive methodology and criteria for designating medically underserved populations and Health Professional Shortage Areas.

Sec. 5603. Reauthorization of Wakefield Emergency Medical Services for Children Program. Reauthorizes a program to award grants to States and medical schools to support the

improvement and expansion of emergency medical services for children needing trauma or critical care treatment.

Sec. 5604. Co-locating primary and specialty care in community-based mental health settings. Authorizes \$50 million in grants for coordinated and integrated services through the co-location of primary and specialty care in community-based mental and behavioral health settings.

Sec. 5605. Key national indicators. Establishes a Commission on Key National Indicators to conduct a comprehensive oversight of a newly established key national indicators system, with a required annual report to Congress.

Sec. 5606. State grants to health care providers who provide services to a high percentage of medically underserved populations or other special populations. As added by Section 10501, creates a grant program to support health care providers who treat a high percentage of medically underserved populations.

TITLE VI—TRANSPARENCY AND PROGRAM INTEGRITY

Subtitle A – Physician Ownership and Other Transparency

Sec. 6001. Limitation on Medicare exception to the prohibition on certain physician referrals for hospitals. Prohibits physician-owned hospitals that do not have a provider agreement prior to December 31, 2010, (as amended by Section 1106 of the *Reconciliation Act*) to participate in Medicare. Such hospitals that have a provider agreement prior to December 31, 2010, could continue to participate in Medicare under certain requirements addressing conflict of interest, bona fide investments, and patient safety issues, and expansion limitations. As amended by Section 1106 of the *Reconciliation Act*, provides a limited exception to the growth restrictions for grandfathered physician-owned hospitals that treat the highest percentage of Medicaid patients in their county (and are not the sole hospital in a county).

Sec. 6002. Transparency reports and reporting of physician ownership or investment interests. Requires drug, device, biological and medical supply manufacturers to report transfers of value made to a physician, physician medical practice, a physician group practice, and/or a teaching hospital. Duplicative State or local laws would be preempted by Federal law, however, Federal preemption would not occur for State or local laws that are beyond the scope of this section.

Sec. 6003. Disclosure requirements for in-office ancillary services exception to the prohibition on physician self-referral for certain imaging services. Adds an additional requirement to the Medicare in-office ancillary exception that requires the referring physician to inform the patient in writing that the individual may obtain the specified service from a person other than the referring physician, a physician who is a member of the same group practice as the referring physician, or an individual who is directly supervised by the physician or by another physician in the group practice.

Sec. 6004. Prescription drug sample transparency. Requires prescription drug manufacturers and distributors to report to the Secretary information pertaining to drug samples currently being collected internally, as required under the Federal Food, Drug and Cosmetic Act.

Sec. 6005. Pharmacy benefit managers transparency requirements. Requires a pharmacy benefit manager (PBM) or a health benefits plan that provides pharmacy benefits management services that contract with health plans under Medicare or the Exchange to report to the Secretary information regarding the generic dispensing rate: the rebates, discounts, or price concessions negotiated by the PBM and the payment difference between health plans and PBMs and the PBMs and pharmacies. All disclosed information would be confidential, except for certain specific purposes.

Subtitle B – Nursing Home Transparency and Improvement

Part I – Improving Transparency of Information

Sec. 6101. Required disclosure of ownership and additional disclosable parties information. Requires that skilled nursing facilities (SNFs) under Medicare and nursing facilities (NFs) under Medicaid make available, on request by the Secretary, the Inspector General of the Department of Health and Human Services, the States, and the State long-term care ombudsman, information on ownership, including a description of the governing body and organizational structure of the facility and information regarding additional disclosable parties.

Sec. 6102. Accountability requirements for skilled nursing facilities and nursing facilities. Requires SNFs and NFs to implement a compliance and ethics program to be followed by the facility's employees and its agents within 36 months of enactment, and requires the Secretary to evaluate this program and report the results to Congress.

Sec. 6103. Nursing home compare Medicare website. Requires the Secretary to publish the following information on the Nursing Home Compare Medicare website: standardized staffing data, links to State internet websites regarding State survey and certification programs, the model standardized complaint form, a summary of substantiated complaints, and the number of adjudicated instances of criminal violations by a facility or its employee.

Sec. 6104. Reporting of expenditures. Requires the Secretary to modify cost reports for SNFs to require reporting of expenditures on wages and benefits for direct care staff, breaking out registered nurses, licensed professional nurses, certified nurse assistants, and other medical and therapy staff.

Sec. 6105. Standardized complaint form. Requires the Secretary to develop a standardized complaint form for use by residents (or a person acting on a resident's behalf) in filing complaints with a State survey and certification agency and a State long-term care ombudsman program. States would also be required to establish complaint resolution processes.

Sec. 6106. Ensuring staffing accountability. Requires the Secretary to develop a program for facilities to report staffing information in a uniform format based on payroll data, and to also take into account services provided by any agency or contract staff.

Sec. 6107. GAO study and report on Five-Star Quality Rating System. Requires the Government Accountability Office to conduct a study on the Five-Star Quality Rating System which would include an analysis of the system's implementation and any potential improvements to the system.

Part II – Targeting Enforcement

Sec. 6111. Civil money penalties. Provides the Secretary with authority to reduce civil monetary penalties (CMPs) from the level that they would otherwise be by 50 percent for certain facilities that self-report and promptly correct deficiencies within ten calendar days of imposition. For CMPs that are cited at the level of actual harm and immediate jeopardy, the Secretary would be provided with the authority to place CMPs in an escrow account following completion of the informal dispute resolution process, or the date that is 90 days after the date of the imposition of the CMP, whichever is earlier. If the facility's appeal is successful, the CMP, with interest, would be returned to the facility. If the appeal is unsuccessful, some portion of the proceeds may be used to fund activities that benefit facility residents.

Sec. 6112. National independent monitor demonstration project. Directs the Secretary to establish a demonstration project within one year of enactment for developing, testing and implementing a national independent monitor program to conduct oversight of interstate and large intrastate chains. The HHS OIG would evaluate the demonstration project after two years.

Sec. 6113. Notification of facility closure. Requires the administrator of a facility that is preparing to close to provide written notification to residents, legal representatives of residents or other responsible parties, the State, the Secretary and the long-term ombudsman program in advance of the closure by at least 60 days. Facilities would be required to prepare a plan for closing the facility by a specified date that is provided to the State, which must approve it and ensure the safe transfer of residents to another facility or alternative setting that the State finds appropriate in terms of quality, services and location, taking into consideration the needs and best interests of each resident.

Sec. 6114. National demonstration projects on culture change and use of information technology in nursing homes. Requires the Secretary to conduct two facility-based demonstration projects that would develop best practice models in two areas. The first would be designed to identify best practices in facilities that are involved in the "culture change" movement, including the development of resources where facilities may be able to access information in order to implement culture change. The second demonstration would focus on development of best practices in information technology that facilities are using to improve resident care.

Part III – Improving staff training

Sec. 6121. Dementia and abuse prevention training. Requires facilities to include dementia management and abuse prevention training as part of pre-employment initial training for permanent and contract or agency staff, and if the Secretary determines appropriate, as part of ongoing in-service training.

Subtitle C – Nationwide Program for National and State Background Checks on Direct Patient Access Employees of Long Term Care Facilities and Providers

Sec. 6201. Nationwide program for National and State background checks on direct patient access employees of long-term care facilities and providers. Requires the Secretary to establish a nationwide program for national and State background checks on direct patient access employees of certain long-term supports and services facilities or providers. This program is based on the background check pilot program in the Medicare Modernization Act.

Subtitle D – Patient-Centered Outcomes Research

Sec. 6301. Patient-Centered Outcomes Research. Establishes a private, nonprofit entity (the Patient-Centered Outcomes Research Institute) governed by a public-private sector board appointed by the Comptroller General to identify priorities for and provide for the conduct of comparative outcomes research. Requires the Institute to ensure that subpopulations are appropriately accounted for in research designs. Prohibits any findings to be construed as mandates on practice guidelines or coverage decisions and contains patient safeguards to protect against discriminatory coverage decisions by HHS based on age, disability, terminal illness, or an individual's quality of life preference. Provides funding for the Institute and authorizes and provides funding for the Agency for Health Research and Quality to disseminate research findings of the Institute, as well as other government-funded research, to train researchers in comparative research methods and to build data capacity for comparative effectiveness research. Section 10602 clarifies publication rights of researchers with respect to peer-reviewed journals and clarifies that findings published by the Institute do not include practice guidelines, coverage, payment, or policy recommendations. The provision also increases the number of physicians on the Board of Governors from three to four.

Sec. 6302. Federal coordinating council for comparative effectiveness research. Upon date of enactment, this provision would sunset the Federal Coordinating Council created in the American Recovery and Reinvestment Act of 2010 (P.L. 111-5).

Subtitle E – Medicare, Medicaid, and CHIP Program Integrity Provisions

Sec. 6401. Provider screening and other enrollment requirements under Medicare, Medicaid, and CHIP.

Provider Screening. Requires that the Secretary, in consultation with the HHS Office of Inspector General (HHS OIG), establish procedures for screening providers and suppliers participating in Medicare, Medicaid, and CHIP. The Secretary will determine the level of

screening according to the risk of fraud, waste, and abuse with respect to each category of provider or supplier. At a minimum, all providers and suppliers would be subject to licensure checks. The Secretary will have the authority to impose additional screening measures based on risk, including fingerprinting, criminal background checks, multi-State data base inquiries, and random or unannounced site visits. An application fee of \$200 for individual practitioners and \$500 for institutional providers and suppliers will be imposed to cover the costs of screening each time they re-verify their enrollment (every five years). Section 10603 removes the enrollment fee for physicians.

Disclosure Requirements. Providers and suppliers enrolling or re-enrolling in Medicare, Medicaid, or CHIP will be subject to new disclosure requirements. Applicants will be required to disclose current or previous affiliations with any provider or supplier that has uncollected debt, has had their payments suspended, has been excluded from participating in a Federal health care program, or has had their billing privileges revoked. The Secretary is authorized to deny enrollment in these programs if these affiliations pose an undue risk to a program.

Compliance Programs. By a date determined by the Secretary, certain providers and suppliers will be required to establish a compliance program. The requirements for the compliance program will be developed by the Secretary and the HHS OIG.

Sec. 6402. Enhanced Medicare and Medicaid program integrity provisions.

Integrated Data Repository. Requires CMS to include in the integrated data repository (IDR) claims and payment data from the following programs: Medicare (Parts A, B, C, and D), Medicaid, CHIP, health-related programs administered by the Departments of Veterans Affairs (VA) and Defense (DOD), the Social Security Administration, and the Indian Health Service (IHS).

Access to Data. The Secretary will enter into data-sharing agreements with the Commissioner of Social Security, the Secretaries of the VA and DOD, and the Director of the IHS to help identify fraud, waste, and abuse. Grants the HHS OIG and the Department of Justice (DOJ) access to the IDR for the purposes of conducting law enforcement and oversight activities consistent with applicable privacy, security, and disclosure laws.

Overpayments. Requires that overpayments be reported and returned within 60 days from the date the overpayment was identified or by the date a corresponding cost report was due, whichever is later.

National Provider Identifier. Requires the Secretary to issue a regulation mandating that all Medicare, Medicaid, and CHIP providers include their NPI on enrollment applications.

Medicaid Management Information System. Authorizes the Secretary to withhold the Federal matching payment to States for medical assistance expenditures when the State does not report enrollee encounter data in a timely manner to the State's Medicaid Management Information System (MMIS).

Permissive Exclusions. Subjects providers and suppliers to exclusion for providing false information on any application to enroll or participate in a Federal health care program.

Civil Monetary Penalties. Expands the use of Civil Monetary Penalties (CMPs) to excluded individuals who order or prescribe an item or service, make false statements on applications or contracts to participate in a Federal health care program, or who know of an overpayment and do not return the overpayment. Each violation would be subject to CMPs of up to \$50,000.

Testimonial Subpoena Authority. The Secretary would be able to issue subpoenas and require the attendance and testimony of witnesses and the production of any other evidence that relates to matters under investigation or in question by the Secretary.

Surety Bonds. Requires that the Secretary take into account the volume of billing for a DME supplier or home health agency when determining the size of the surety bond. The Secretary will have the authority to impose this requirement on other providers and suppliers considered to be at risk by the Secretary.

Payment Suspensions. Authorizes the Secretary to suspend payments to a provider or supplier pending a fraud investigation. As amended by Section 1304 of the *Reconciliation Act*, allows a 90-day period of enhanced oversight and withholding of payment in cases where the Secretary of HHS identifies a significant risk of fraud among DME suppliers.

Health Care Fraud and Abuse Control Account. As amended by Section 1301 of the *Reconciliation Act*, increases Health Care Fraud and Abuse Control (HCFAC) funding by \$350 million over the next decade. The provision also permanently applies the CPI-U adjustment to HCFAC and Medicare Integrity Program (MIP) funding.

Medicare and Medicaid Integrity Programs. Requires Medicare and Medicaid Integrity Program contractors to provide the Secretary and the HHS OIG with performance statistics, including the number and amount of overpayments recovered, the number of fraud referrals, and the return on investment for such activities.

Sec. 6403. Elimination of duplication between the Healthcare Integrity and Protection Data Bank and the National Practitioner Data Bank. Requires the Secretary to maintain a national health care fraud and abuse data collection program for reporting certain adverse actions taken against health care providers, suppliers, and practitioners, and submit information on the actions to the National Practitioner Data Bank (NPDB). The Secretary is also required to establish a process to terminate the Healthcare Integrity and Protection Databank (HIPDB) and ensure that the information formerly collected in the HIPDB is transferred to the NPDB.

Sec. 6404. Maximum period for submission of Medicare claims reduced to not more than 12 months. Beginning January 2010, the maximum period for submission of Medicare claims would be reduced to not more than 12 months.

Sec. 6405. Physicians who order items or services required to be Medicare enrolled physicians or eligible professionals. Requires durable medical equipment (DME) or home

health services to be ordered by a Medicare eligible professional or physician enrolled in the Medicare program. The Secretary has the authority to extend these requirements to other Medicare items and services to reduce fraud, waste, and abuse. Section 10604 clarifies that only physicians enrolled in the Medicare program may order home health services under Medicare Part A and Part B.

Sec. 6406. Requirement for physicians to provide documentation on referrals to programs at high risk of waste and abuse. Beginning January 1, 2010, the Secretary has the authority to disenroll, for no more than one year, a Medicare enrolled physician or supplier that fails to maintain and provide access to written orders or requests for payment for DME, certification for home health services, or referrals for other items and services. The provision also extends the HHS OIG's permissive exclusion authority to include individuals or entities that order, refer, or certify the need for health care services that fail to provide adequate documentation to verify payment.

Sec. 6407. Face-to-face encounter with patient required before physicians may certify eligibility for home health services or durable medical equipment under Medicare. Requires physicians to have a face-to-face encounter with the individual prior to issuing a certification for home health services or DME. The Secretary is authorized to apply the face-to-face encounter requirement to other items and services based upon a finding that doing so would reduce the risk of fraud, waste, and abuse. Section 10605 clarifies that the face-to-face encounter required prior to certification for home health services may be performed by a physician, nurse practitioner, clinical nurse specialist, certified nurse-midwife, or physician assistant.

Sec. 6408. Enhanced penalties. Subjects persons who fail to grant HHS OIG timely access to documents, for the purpose of audits, investigations, evaluations, or other statutory functions, to CMPs of \$15,000 for each day of failure. Also, persons who knowingly make, use, or cause to be made or used any false statement to a Federal health care program would be subject to a CMP of \$50,000 for each violation. The violations that could be subject to the imposition of sanctions and CMPs by the Secretary would include Medicare Advantage (MA) or Part D plans that: (1) enroll individuals in a MA or Part D plan without their consent, (2) transfer an individual from one plan to another for the purpose of earning a commission, (3) fail to comply with marketing requirements and CMS guidance, or (4) employ or contract with an individual or entity that commits a violation. Penalties for MA and Part D plans that misrepresent or falsify information would be increased to up to three times the amount claimed by a plan or plan sponsor based on the misrepresentation or falsified information.

Sec. 6409. Medicare self-referral disclosure protocol. Within six months of enactment, the Secretary, in cooperation with the HHS OIG, is required to establish a self-referral disclosure protocol to enable health care providers and suppliers to disclose actual or potential violations of the physician self-referral law.

Sec. 6410. Adjustments to the Medicare durable medical equipment, prosthetics, orthotics, and supplies competitive acquisition program. Requires the Secretary to expand the number of areas to be included in round two of the competitive bidding program from 79 of the largest

metropolitan statistical areas (MSAs) to 100 of the largest MSAs, and to use competitively bid prices in all areas by 2016.

Sec. 6411. Expansion of the Recovery Audit Contractor (RAC) program. Requires States to establish contracts with one or more Recovery Audit Contractors (RACs). These State RAC contracts would be established to identify underpayments and overpayments and to recoup overpayments made for services provided under State Medicaid plans as well as State plan waivers. The Secretary is required to expand the RAC program to Medicare Parts C and D.

Subtitle F – Additional Medicaid Program Integrity Provisions

Sec. 6501. Termination of provider participation under Medicaid if terminated under Medicare or other State plan. Requires States to terminate individuals or entities from their Medicaid programs if the individuals or entities were terminated from Medicare or another State's Medicaid program.

Sec. 6502. Medicaid exclusion from participation relating to certain ownership, control, and management affiliations. Requires Medicaid agencies to exclude individuals or entities from participating in Medicaid for a specified period of time if the entity or individual owns, controls, or manages an entity that: (1) has failed to repay overpayments during the period as determined by the Secretary; (2) is suspended, excluded, or terminated from participation in any Medicaid program; or (3) is affiliated with an individual or entity that has been suspended, excluded, or terminated from Medicaid participation.

Sec. 6503. Billing agents, clearinghouses, or other alternate payees required to register under Medicaid. Requires any agents, clearinghouses, or other alternate payees that submit claims on behalf of health care providers to register with the State and the Secretary in a form and manner specified by the Secretary.

Sec. 6504. Requirement to report expanded set of data elements under MMIS to detect fraud and abuse. Requires States and Medicaid managed care entities to submit data elements from MMIS as determined necessary by the Secretary for program integrity, program oversight, and administration.

Sec. 6505. Prohibition on payments to institutions or entities located outside of the United States. Prohibits States from making any payments for items or services provided under a Medicaid State plan or waiver to any financial institution or entity located outside of the United States.

Sec. 6506. Overpayments. Extends the period for States to repay overpayments to one year when a final determination of the amount of the overpayment has not been determined due to an ongoing judicial or administrative process. When overpayments due to fraud are pending, State repayments of the Federal portion would not be due until 30 days after the date of the final judgment.

Sec. 6507. Mandatory State use of national correct coding initiative. Requires States to make their MMIS methodologies compatible with Medicare’s national correct coding initiative (NCCI) that promotes correct coding and controls improper coding.

Sec. 6508. General effective date. Requires States to implement fraud, waste, and abuse programs before January 1, 2011.

Subtitle G—Additional Program Integrity Provisions

Sec. 6601. Prohibition on false statements and representations. Employees and agents of multiple employer welfare arrangements (MEWAs) will be subject to criminal penalties if they provide false statements in marketing materials regarding a plan’s financial solvency, benefits, or regulatory status.

Sec. 6602. Clarifying definition.

Sec. 6603. Development of model uniform report form. To facilitate consistent reporting by private health plans of suspected cases of fraud and abuse, a model uniform reporting form will be developed by the National Association of Insurance Commissioners, under the direction of the Secretary of HHS.

Sec. 6604. Applicability of State law to combat fraud and abuse. The Department of Labor will adopt regulatory standards and/or issue orders to prevent fraudulent MEWAs from escaping liability for their actions under State law by claiming that State law enforcement is preempted by Federal law.

Sec. 6605. Enabling the Department of Labor to issue administrative summary cease and desist orders and summary seizures orders against plans in financially hazardous condition. The Department of Labor is authorized to issue “cease and desist” orders to temporarily shut down operations of plans conducting fraudulent activities or posing a serious threat to the public, until hearings can be completed. If it appears that a plan is in a financially hazardous condition, the agency may seize the plan’s assets.

Sec. 6606. MEWA plan registration with the Department of Labor. MEWAs will be required to file their Federal registration forms, and thereby be subject to government verification of their legitimacy, before enrolling anyone.

Sec. 6607. Permitting evidentiary privilege and confidential communications. Permits the Department of Labor to allow confidential communication among public officials relating to investigation of fraud and abuse.

Subtitle H – Elder Justice Act

Sec. 6701. Short title of subtitle. The “Elder Justice Act of 2009.”

Sec. 6702. Definitions. Defines the terms used in this subtitle using the same definitions in section 2011 of the Social Security Act.

Sec. 6703. Elder Justice. Requires the Secretary of HHS, in consultation with the Departments of Justice and Labor, to award grants and carry out activities that provide greater protection to those individuals seeking care in facilities that provide long-term services and supports and provide greater incentives for individuals to train and seek employment at such facilities. Owners, operators, and certain employees of these facilities are required to report suspected crimes committed at a facility. Owners or operators of such facilities are also required to submit to the Secretary and to the State written notification of an impending closure of a facility within 60 days prior to the closure. In the notice, the owner or operator is required to include a plan for transfer and adequate relocation of all residents.

Subtitle I – Sense of the Senate Regarding Medical Malpractice

Sec. 6801. Sense of the Senate regarding medical malpractice. Expresses the sense of the Senate that health reform presents an opportunity to address issues related to medical malpractice and medical liability insurance, states should be encouraged to develop and test alternative models to the existing civil litigation system, and Congress should consider state demonstration projects to evaluate such alternatives.

Title VII – IMPROVING ACCESS TO INNOVATIVE MEDICAL THERAPIES

Subtitle A—Biologics Price Competition and Innovation

Sec. 7001. Short Title. The “Biologics Price Competition and Innovation Act of 2009.”

Sec. 7002. Approval pathway for biosimilar biological products. Establishes a process under which the Secretary is required to license a biological product that is shown to be biosimilar to or interchangeable with a licensed biological product, commonly referred to as a reference product. Prohibits the approval of an application as either biosimilar or interchangeable until 12 years from the date on which the reference product is first approved. If FDA approves a biological product on the grounds that it is interchangeable to a reference product, HHS is prohibited from making a determination that a second or subsequent biological product is interchangeable to that same reference product until 1 year after the first commercial marketing of the first interchangeable product.

Authorizes HHS to issue guidance with respect to the licensure of biological products under this new pathway, and it includes provisions governing patent infringement concerns such as the exchange of information, good faith negotiations, and initiation infringement actions. Applies certain provisions of the Food, Drug, and Cosmetic Act to this subtitle with respect to pediatric studies of biological products. Requires HHS to develop recommendations for Congress with respect to the goals for the process for the review of biosimilar biological product applications for the first five fiscal years after FY2012.

Sec. 7003. Savings. The Secretary of the Treasury, in consultation with the Secretary of HHS, shall, for each fiscal year, determine the amount of savings to the Federal Government as a result of the enactment of this subtitle. Notwithstanding any other provision of this subtitle, the savings to the Federal Government generated as a result of the enactment of this subtitle shall be used for deficit reduction.

Subtitle B—More Affordable Medicines for Children and Underserved Communities

Sec. 7101. Expanded participation in 340B program. As amended by Section 2302 of the *Reconciliation Act*, extends participation in the 340B program to certain children’s hospitals, cancer hospitals, critical access and sole community hospitals, and rural referral centers, and exempts orphan drugs from required discounts for new 340B entities.

Sec. 7102. Improvements to 340B program integrity. Establishes new auditing, reporting, and other compliance requirements for the Secretary, and for pharmaceutical manufacturers and 340B covered entities.

Sec. 7103. GAO study to make recommendations on improving the 340B program. Requires the GAO to make recommendations to Congress within 18 months on improvements to the 340B program.

Title VIII – COMMUNITY LIVING ASSISTANCE SERVICES AND SUPPORTS

Sec. 8002. Establishment of national voluntary insurance program for purchasing community living assistance services and support (CLASS program). Establishes a new, voluntary, self-funded public long-term care insurance program, to be known as the CLASS Independence Benefit Plan, for the purchase of community living assistance services and supports by individuals with functional limitations. Requires the Secretary to develop an actuarially sound benefit plan that ensures solvency for 75 years; allows for a five-year vesting period for eligibility of benefits; creates benefit triggers that allow for the determination of functional limitation; and provides cash benefit that is not less than an average of \$50 per day. No taxpayer funds will be used to pay benefits under this provision. Section 10801 made technical corrections to Title VIII.

TITLE IX – REVENUE PROVISIONS

Subtitle A – Revenue Offset Provisions

Sec. 9001. Excise tax on high cost employer-sponsored health coverage. As amended by Section 1401 of the *Reconciliation Act*, beginning in 2018, levies an excise tax of 40 percent on insurance companies and plan administrators for any health coverage plan that is above the threshold of \$10,200 for single coverage and \$27,500 for family coverage. The tax applies to self-insured plans and plans sold in the group market, but not to plans sold in the individual market (except for coverage eligible for the deduction for self-employed individuals). The tax does not apply to stand-alone dental and vision coverage. The tax applies to the amount of the premium in excess of the threshold. The threshold is indexed at CPI-U plus one percentage point

in year 2019 and CPI-U in years thereafter. An increase in the threshold amount of \$1,650 for singles and \$3,450 for families is available for retired individuals age 55 and older and for plans that cover employees engaged in high risk professions. This provision also includes an adjustment for firms whose health costs are higher due to the age or gender of their workers and adjusts the initial threshold if there is unexpected high growth in premiums before 2018.

Sec. 9002. Inclusion of cost of employer-sponsored health coverage on W-2. Requires employers to disclose the value of the benefit provided by the employer for each employee's health insurance coverage on the employee's annual Form W-2.

Sec. 9003. Distributions for medicine qualified only if for prescribed drug or insulin. Conforms the definition of qualified medical expenses for HSAs, FSAs, and HRAs to the definition used for the medical expense itemized deduction. Over-the-counter medicine obtained with a prescription continues to qualify as a qualified medical expense.

Sec. 9004. Increase in additional tax on distributions from HSAs and Archer MSAs not used for qualified medical expenses. Increases the additional tax for HSA withdrawals prior to age 65 that are used for purposes other than qualified medical expenses from 10 percent to 20 percent. The additional tax for Archer MSA withdrawals not used for qualified medical expenses would increase from 15 percent to 20 percent.

Sec. 9005. Limitation on health flexible spending arrangements under cafeteria plans. Limits the amount of contributions to health FSAs to \$2,500 per year beginning in 2013. The cap is indexed at CPI-U in subsequent years.

Sec. 9006. Expansion of information reporting requirements. Requires businesses that pay any amount greater than \$600 during the year to corporate and non-corporate providers of property and services to file an information report with each provider and with the IRS. Information reporting is already required on payments for services to non-corporate providers.

Sec. 9007. Additional requirements for charitable hospitals. Establishes new requirements applicable to nonprofit hospitals. The requirements would include a periodic community needs assessment.

Sec. 9008. Imposition of annual fee on branded prescription pharmaceutical manufacturers and importers. As amended by Section 1404 of the *Reconciliation Act*, imposes an annual fee on the pharmaceutical manufacturing sector. The amount of the fee is \$2.5 billion in 2011, \$2.8 billion in years 2012-2013, \$3.0 billion in 2014-2016, \$4.0 billion in 2017, \$4.1 billion in 2018 and \$2.8 billion in 2019 and years thereafter. This non-deductible fee is allocated across the industry according to market share with a reduction in share for companies with annual sales of branded pharmaceuticals of less than \$400 million.

Sec. 9009. Excise Tax on Medical Devices. As amended by Section 1405 of the *Reconciliation Act*, imposes an excise tax on the sale of medical devices by the manufacturer or importer equal to 2.3 percent of the sales price. The tax is deductible for federal income tax purposes. The excise tax does not apply to any sale of eyeglasses, contact lenses, hearing aids,

or any medical device of a type generally purchased by the public at retail. In addition, sales for export and sales of devices for use in further manufacturing are exempt from the excise tax.

Sec. 9010. Imposition of annual fee on health insurance providers. Imposes an annual fee of on the health insurance sector. As amended by Section 1406 of the *Reconciliation Act*, the amount of the fee is \$8.0 billion in 2014, \$11.3 billion in years 2015-2016, \$13.9 billion in 2017, and \$14.3 billion in 2018. For years after 2018, the amount of the annual fee is the amount for the preceding year increased by the rate of premium growth for the preceding calendar year. This non-deductible fee is allocated across the industry according to market share and does not apply to companies whose net premiums written are \$50 million or less. The fee also does not apply to any employer or governmental entity. Cooperatives and the national plan would be subject to the insurance provider fee. This provision exempts from the fee non-profits which receive more than 80 percent of their gross revenues from government programs that target low-income, elderly, or disabled populations. In addition, only 50 percent of net premiums written by entities who are tax exempt under Internal Revenue Code sections 501(c)(3), (4), (26), and (29) are included for purposes of determining an entity's market share.

Sec. 9011. Study and report of effect on veterans health care. The Secretary of the U.S. Department of Veterans Affairs will review and report to Congress on the effect that the fees assessed on pharmaceutical and medical device manufacturers and health insurance providers have on the cost of medical care provided to veterans and veterans' access to medical devices and branded drugs.

Sec. 9012. Eliminate deduction for expenses allocable to Medicare Part D. Eliminates the deduction for the subsidy paid by the federal government to employers who maintain prescription drug plans for their Medicare Part D eligible retirees, effective for taxable years beginning after December 31, 2012 (as amended by Section 1407 of the *Reconciliation Act*).

Sec. 9013. Modification of itemized deduction for medical expenses. Increases the adjusted gross income threshold for claiming the itemized deduction for medical expenses from 7.5 percent to 10 percent. Individuals age 65 and older would be able to claim the itemized deduction for medical expenses at 7.5 percent of adjusted gross income through 2016.

Sec. 9014. Limitation on excessive remuneration paid by certain health insurance providers. Limits the deductibility of executive compensation under Section 162(m) for insurance providers if at least 25 percent of the insurance provider's gross premium income from health business is derived from health insurance plans that meet the minimum essential coverage requirements in the bill ("covered health insurance provider"). The deduction is limited to \$500,000 per taxable year and applies to all officers, employees, directors, and other workers or service providers performing services for or on behalf of a covered health insurance provider.

Sec. 9015. Additional hospital insurance tax on high-income taxpayers. Increases the hospital insurance tax rate by 0.9 percentage points on an individual taxpayer earning more than \$200,000 (\$250,000 for married couples filing jointly). The revenues from this tax will be credited to the HI trust fund. As amended by Section 1402 of the *Reconciliation Act*, expands the hospital insurance tax to include a 3.8 percent tax on income from interest, dividends,

annuities, royalties and rents which are not derived in the ordinary course of trade or business, excluding active S corporation or partnership income, on taxpayers with income above \$200,000 for singles (\$250,000 for married filing jointly).

Sec. 9016. Special deduction for Blue Cross Blue Shield (BCBS). Requires that non-profit BCBS organizations have a medical loss ratio of 85 percent or higher in order to take advantage of the special tax benefits provided to them under IRC Section 833, including the deduction for 25 percent of claims and expenses and the 100 percent deduction for unearned premium reserves.

Sec. 9017. Excise tax on indoor tanning services. As added by Section 10907, imposes a ten percent tax on amounts paid for indoor tanning services. Indoor tanning services are services that use an electronic product with one or more ultraviolet lamps to induce skin tanning. The tax would be effective for services provided on or after July 1, 2010.

Subtitle B – Other Provisions

Sec. 9021. Exclusion of health benefits provided by Indian tribal governments. Provides an exclusion from gross income for the value of specified Indian tribal health benefits.

Sec. 9022. Establishment of simple cafeteria plans for small businesses. Establishes Simple Cafeteria Plans that ease participation restrictions so that small businesses can provide tax-free benefits to their employees. Under this provision, self-employed individuals are included as qualified employees. The provision also exempts employers who make contributions for employees under a simple cafeteria plan from pension plan nondiscrimination requirements applicable to highly compensated and key employees.

Sec. 9023. Qualifying therapeutic discovery project credit. Creates a two year temporary tax credit subject to an overall cap of \$1 billion to encourage investments in new therapies to prevent, diagnose, and treat acute and chronic diseases. The credit would be available for two years.

Sec 9024. Health professionals State loan repayment tax relief. As added by Section 10908, excludes from gross income payments made under any State loan repayment or loan forgiveness program that is intended to provide for the increased availability of health care services in underserved or health professional shortage areas. This provision is effective for amounts received by an individual in taxable years beginning after December 31, 2008.

Sec. 9025. Expansion of adoption tax credit and adoption assistance programs. As added by Section 10909, increases the adoption tax credit and adoption assistance exclusion (\$12,170 for 2009) by \$1,000, and makes the credit refundable. The credit is extended through 2011.

TITLE X— STRENGTHENING QUALITY, AFFORDABLE HEALTH CARE FOR ALL AMERICANS

Many provisions of Title X made changes to the preceding nine Titles, and descriptions of those changes are included above. Only those provisions of Title X that do not make changes to Titles I – IX are described below.

Subtitle A – Provisions Relating to Title I

Sec. 10108. Free choice vouchers. Requires employers that offer coverage and make a contribution to provide free choice vouchers to qualified employees for the purchase of qualified health plans through Exchanges. The free choice voucher must be equal to the contribution that the employer would have made to its own plan. Employees qualify if their required contribution under the employer’s plan would be between 8 and 9.8 percent of their income. Excludes free choice vouchers from taxation and voucher recipients are not eligible for tax credits.

Sec. 10109. Development of standards for financial and administrative transactions. Requires the Secretary to consult stakeholders and the National Committee on Vital and Health Statistics and the Health Information Technology Standards and Policy Committees to identify opportunities to create uniform standards for financial and administrative health care transactions, not already named under HIPAA, that would improve the operation of the health system and reduce costs.

Subtitle B—Provisions Relating to Title II

Part I – Medicaid and CHIP

Sec. 10202. Incentives for States to offer home and community based services as a long-term care alternative to nursing homes. Adds a new policy that creates financial incentives for States to shift Medicaid beneficiaries out of nursing homes and into home and community based services (HCBS). The provision provides Federal Medical Assistance Percentage (FMAP) increases to States to rebalance their spending between nursing homes and HCBS.

Part II – Support for Pregnant and Parenting Teens and Women

Sec. 10211. Definitions. Defines “eligible institution of higher learning” as having the same meaning as in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001). The terms “accompaniment”, “community service center”, “high school”, “intervention service”, “Secretary”, “State”, “supportive social service”, and “violence” are also defined.

Sec. 10212. Fund. Establishes a Pregnancy Assistance Fund for the purpose of awarding competitive grants to States to assist pregnant and parenting teens and women. The fund will be established by the Secretary of HHS in coordination and collaboration with the Secretary of Education.

Sec. 10213. Permissible use of funds. Requires States to use the funds provided by these grants to provide support to pregnant and parenting teens and young women. States may use the funds provided to make funding available to eligible institutions of higher learning.

Matching requirement. An eligible institution of higher learning that receives funding under this provision shall contribute non-federal funds equal to 25 percent. Permissible uses of funds include for programs such as those that help pregnant or parenting teens stay in or complete high school, assistance to states in providing intervention services, and outreach so that pregnant and parenting teens and women are aware of services available to them.

Sec. 10214. Appropriations. Appropriates \$25 million for each of the fiscal years 2010 through 2019.

Part III – Indian Health Care Improvement

Sec. 10221. Indian health care improvement. Authorizes appropriations for the Indian Health Care Improvement Act, including programs to increase the Indian health care workforce, new programs for innovative care delivery models, behavioral health care services, new services for health promotion and disease prevention, efforts to improve access to health care services, construction of Indian health facilities, and an Indian youth suicide prevention grant program.

Subtitle C – Provisions Related to Title III

Sec. 10323. Medicare coverage for individuals exposed to environment health hazards. Provides Medicare coverage and medical screening services to individuals exposed to environmental health hazards as a result of a public health determination under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

Sec. 10324. Protections for frontier states. Starting in fiscal year 2011, establishes hospital wage index and geographic practice expense floors for hospitals and physicians located in states in which at least 50 percent of the counties in the state are frontier.

Sec. 10325. Revision to skilled nursing facility prospective payment system. Delays implementation of certain skilled nursing facility “RUGs-IV” payment system changes by one year to October 1, 2011.

Sec. 10326. Pilot testing pay-for-performance programs for certain Medicare providers. Provides the Secretary of HHS the authority to test value-based purchasing programs for inpatient rehabilitation facilities, inpatient psychiatric hospitals, long-term care hospitals, certain cancer hospitals and hospice providers by no later than January 1, 2016.

Sec. 10328. Improvement in Part D medication therapy management (MTM) programs. Requires Part D prescription drug plans to include a comprehensive review of medications (either in person or through telehealth technology) and a written summary of the review as part of their medication therapy management programs. Plans must also enroll beneficiaries who qualify on a quarterly basis and allow for opt out.

Sec. 10329. Developing methodology to assess health plan value. Requires the Secretary of HHS to develop a methodology to measure health plan value.

Sec. 10330. Modernizing computer and data systems of the Centers for Medicare & Medicaid Services to support improvements in care delivery. Requires the Secretary of HHS to develop a plan (and a detailed budget for the resources needed to implement such plan) to modernize the computer and data systems of the Centers for Medicare & Medicaid Services to support improvements in care delivery.

Sec. 10331. Public reporting of performance information. Requires the Secretary of HHS to develop a “Physician Compare” website where Medicare beneficiaries can compare scientifically-sound measures of physician quality and patient experience measures, provided that such information provides an accurate portrayal of physician performance.

Sec. 10332. Availability of Medicare data for performance measurement. Authorizes the release and use of standardized extracts of Medicare claims data to measure the performance of providers and suppliers in ways that protect patient privacy and in accordance with other requirements.

Sec. 10333. Community-based collaborative care networks. Provides grants to develop networks of providers to deliver coordinated care to low-income populations.

Sec. 10334. Minority health. Codifies the Office of Minority Health at the Department of Health and Human Services (HHS) and a network of minority health offices located within HHS. Elevates the National Center on Minority Health and Health Disparities at the National Institutes of Health from a Center to an Institute. The Offices of Minority Health will monitor health, health care trends, and quality of care among minority patients and evaluate the success of minority health programs and initiatives.

Sec. 10335. Technical correction to hospital value-based purchasing (VBP) program. Clarifies that the hospital VBP program shall not include measures of hospital readmissions.

Sec. 10336. GAO study and report on Medicare beneficiary access to high-quality dialysis services. Directs the Comptroller General to submit to Congress, within one year of enactment, a study on the impact on Medicare beneficiary access to high-quality dialysis services of the end stage renal disease prospective payment system.

Subtitle D—Provisions Relating to Title IV

Sec. 10407. Better diabetes care. Directs the Secretary of HHS to develop a national report card on diabetes to be updated every two years. Directs the Secretary to work with health professionals and States to improve data collection related to diabetes and other chronic diseases. Provides for an Institute of Medicine study on the impact of diabetes on medical care.

Sec. 10408. Grants for small businesses to provide comprehensive workplace wellness programs. Authorizes an appropriation of \$200 million to give employees of small businesses access to comprehensive workplace wellness programs.

Sec. 10409. Cures Acceleration Network. Authorizes the Cures Acceleration Network, within the National Institutes of Health (NIH), to award grants and contracts to develop cures and treatments of diseases. Grants will be awarded to accelerate the development of medical products and behavioral therapies. The network shall work with the Food and Drug Administration (FDA) to streamline protocols assuring compliance with regulations and standards that meet regulatory requirements at all stages of manufacturing, review, approval, and safety surveillance.

Sec. 10410. Centers of excellence for depression. Directs the Administrator of the Substance Abuse and Mental Health Services Administration to award grants to centers of excellence in the treatment of depressive disorders.

Sec. 10411. Programs relating to congenital heart disease. Allows the Secretary of HHS to enhance and expand existing infrastructure to track the epidemiology of congenital heart disease and to organize such information into a National Congenital Heart Disease Surveillance System. Expands, intensifies, and coordinates research at the NIH on congenital heart disease.

Sec. 10412. Automated Defibrillation in Adam's Memory Act. Amends and reauthorizes through 2014 public access defibrillation programs in Sec. 312 of the Public Health Service Act.

Sec. 10413. Young women's breast health awareness and support of young women diagnosed with breast cancer. Directs the Secretary of HHS to develop a national education campaign for young women and health care professionals about breast health and risk factors for breast cancer. Supports prevention research activities at the Centers for Disease Control and Prevention (CDC) on breast cancer in younger women.

Subtitle E – Provisions Relating to Title V

Sec. 10501. Amendments to Title V.

- (d) Loan repayment for faculty at schools that train physician assistants.** Includes faculty at schools for physician assistants as eligible or faculty loan repayment within the workforce diversity program.
- (g) National diabetes prevention program.** Establishes a national diabetes prevention program at the CDC. State, local, and tribal public health departments and non-profit entities can use funds for community-based prevention activities, training and outreach, and evaluation.
- (l) Rural physician training grants.** Authorizes grants for medical schools to establish programs that recruit students from underserved rural areas who have a desire to practice in their hometowns. Programs would provide students with specialized training in rural

health issues, and assist them in finding residencies that specialize in training doctors for practice in underserved rural communities.

(m)(1) Preventive medicine and public health training grant program. Amends and reauthorizes section 768 of the Public Health Service Act, the preventive medicine and public health residency program.

(n)(1) National Health Service Corps improvements. Improves the National Health Service Corps program by increasing the loan repayment amount, allowing for half-time service, and allowing for teaching to count for up to 20 percent of the Corps service commitment.

Sec. 10502. Infrastructure to expand access to care. Provides funding to HHS for construction or debt service on hospital construction costs for a new health facility meeting certain criteria.

Sec. 10503. Community Health Centers and National Health Service Corps Fund. Establishes a Community Health Centers and National Health Service Corps Fund. The fund will create an expanded and sustained national investment in community health centers under section 330 of the Public Health Service Act and the National Health Service Corps. As amended by Section 2303 of the *Reconciliation Act*, increases mandatory funding for community health centers to \$11 billion over five years (FY2011-2015).

Sec. 10504. Demonstration project to provide access to affordable care. Directs the Secretary of HHS to establish a 3-year demonstration project in States to provide comprehensive health care services to the uninsured at reduced fees.

Subtitle F—Provisions Relating to Title VI

Sec. 10606. Health care fraud enforcement. Enhances the fraud sentencing guidelines, changes the intent requirement for fraud under the anti-kickback statute, and increases subpoena authority relating to health care fraud.

Sec. 10607. State demonstration programs to evaluate alternatives to current medical tort litigation. Authorizes grants to States to test alternatives to civil tort litigation. These models must emphasize patient safety, the disclosure of health care errors, and the early resolution of disputes. Patients may opt-out of these alternatives at any time. The Secretary of HHS is required to conduct an evaluation to determine the effectiveness of the alternatives.

Sec. 10608. Extension of medical malpractice coverage to free clinics. Extends the protections from liability contained in the Federal Tort Claims Act to free clinics.

Sec. 10609. Labeling changes. Modifies requirements applicable to the labeling of generic drugs.

The Health Care and Education Reconciliation Act

Many provisions of the *Health Care and Education Reconciliation Act* made changes to the *Patient Protection and Affordable Care Act*, and descriptions of those changes are included above. Only those provisions of the *Reconciliation Act* that do not make changes to the *Patient Protection and Affordable Care Act* are described below.

TITLE I – COVERAGE, MEDICARE, MEDICAID AND REVENUES

Subtitle A – Coverage

Sec. 1004. Income definitions. Modifies the definition of income that is used for purposes of tax credit and subsidy eligibility and the individual responsibility requirement. The modifications conform the income definition to information that is currently reported on the Form 1040 and to the present law income tax return filing thresholds. The provision also extends the exclusion from gross income for employer provided health coverage for adult children up to the end of the calendar year in which the child turns age 26.

Sec. 1005. Implementation funding. Provides \$1 billion to the Secretary of HHS to finance the administrative costs of implementing health insurance reform.

Subtitle B - Medicare

Sec. 1101. Closing the Medicare prescription drug “donut hole”. Provides a \$250 rebate for all Medicare Part D enrollees who enter the donut hole in 2010. Builds on pharmaceutical manufacturers’ 50 percent discount on brand-name drugs beginning in 2011 by phasing in cost-sharing reductions to provide 75 percent coverage for brand-name and generic drugs by 2020 to fill the donut hole.

Sec. 1102. Medicare Advantage payments. Freezes Medicare Advantage payments in 2011. Beginning in 2012, the provision reduces Medicare Advantage benchmarks relative to current levels. Benchmarks will vary from 95 percent of Medicare spending in high-cost areas to 115 percent of Medicare spending in low-cost areas, with benchmarks increased by five percentage points in all areas for high-quality plans. Changes will be phased-in over three, five or seven years, depending on the level of payment reductions. Extends CMS authority to adjust risk scores in Medicare Advantage for observed differences in coding patterns relative to fee-for-service and phases up the adjustment beginning in 2014.

Sec. 1103. Savings from limits on MA plan administrative costs. Ensures Medicare Advantage plans spend at least 85 percent of revenue on medical costs or activities that improve quality of care, rather than profit and overhead.

Sec. 1109. Payment for qualifying hospitals. Provides an additional payment under the Medicare inpatient prospective payment system to hospitals located in counties in the bottom quartile of counties as ranked by risk adjusted spending per Medicare enrollee.

Subtitle C – Medicaid

Sec. 1202. Payments to primary care physicians. Requires that Medicaid payment rates to primary care physicians for furnishing primary care services be no less than 100 percent of Medicare payment rates in 2013 and 2014. Provides 100 percent federal funding for the additional costs to States of meeting this requirement.

Subtitle D – Reducing Fraud, Waste, and Abuse

Sec. 1301. Community mental health centers. Establishes new requirements for community mental health centers that provide Medicare partial hospitalization services in order to prevent fraud and abuse.

Sec. 1302. Medicare prepayment medical review limitations. Streamlines procedures to conduct Medicare prepayment reviews to facilitate additional reviews designed to reduce fraud and abuse.

Subtitle E – Revenues

Sec. 1408. Elimination of unintended application of cellulosic biofuel producer credit. Modifies the \$1.01 per gallon cellulosic biofuel producer credit to exclude fuels with significant water, sediment, or ash content, such as black liquor. Excludes from the definition of cellulosic biofuel any fuels that (1) are more than four percent (according to weight) water and sediment in any combination, or (2) have an ash content of more than one percent (according to weight). Effective for fuel sold or used after January 1, 2010.

Sec. 1409. Codification of economic substance doctrine and penalties. Clarifies the application of the economic substance doctrine which has been used by courts to deny tax benefits for transactions lacking economic substance. Also imposes a 40 percent strict liability penalty on underpayments attributable to a transaction lacking economic substance (unless the transaction was disclosed, in which case the penalty is 20 percent). This provision is effective for transactions entered into after the date of enactment.

Sec. 1410. Time for payment of corporate estimated taxes. Provides for a one-time adjustment to corporate estimated taxes for payments made during calendar year 2014.

Subtitle F – Other Provisions

Sec. 1501. TAA for communities. Appropriates \$500 million a year for fiscal years 2010 through 2014 in the Community College and Career Training Grant program for community colleges to develop and improve educational or career training programs. Ensures that each state receives at least 0.5 percent of the total funds appropriated.

TITLE II – HEALTH, EDUCATION, LABOR, AND PENSIONS

Subtitle A – Education

Please see separate section-by-section for the *Health Care and Education Reconciliation Act*, available [here](#).