



Provisions Related to Quality in the New Health Reform Law

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This compilation is intended to provide a basic overview of many of the provisions related to quality or equality in the new health reform law (Pub Law 111-148). Other resources contain more extensive information about these provisions – and other provisions that are not cited in this document, but can nevertheless improve quality by increasing access to health care coverage, improving prevention/wellness programs nationwide, creating a stronger health care workforce and infrastructure, etc.

It is important to note that before many of the provisions cited here are implemented, funding must first be appropriated by pertinent congressional committees. Although the health reform law *authorizes* funding, only congressional appropriations committees can *appropriate* federal dollars.

The health reform law is a lengthy and complex document; we apologize in advance for errors or omissions in this overview.

A. Enhancing the Nation's Quality Infrastructure

A1. What's in the Law: National Quality Strategy (Sec. 3011, 3012)

The new health care legislation requires that the HHS Secretary create a National Quality Strategy whose purpose is to improve the delivery of health care services, patient outcomes and population health. The strategy must identify priorities with the greatest potential to improve health outcomes, efficiency, patient-centeredness and reduce health disparities. The strategy must encompass all federal agencies and contain specific ways to align public and private payers in the areas of quality and patient safety. It will be implemented by two dozen federal agencies appointed by the President to an Interagency Working Group on Health Care Quality, chaired by the HHS Secretary.

What's Next:

In selecting the priorities for quality improvement, it will be left up to the HHS Secretary to determine areas that have the greatest potential for rapid improvement in quality and efficiency of patient care, and what mechanisms will be used to achieve these goals. However, at a minimum, the strategy must include plans to coordinate interagency activities, setting benchmarks and making an effort to align public and private quality improvement goals.

The first national quality strategy must be submitted to Congress by January 2011, and must be updated annually. The HHS Secretary is also required to establish a federal health care quality Web site by January 1, 2011.

<p><u>A2. What's in the Law: Development of Quality Measures (Sec. 3013, 3014)</u></p> <p>The law authorizes \$75 million over the FY 2010-2014 time period for the development of quality measures at AHRQ and CMS. Quality measures developed will be consistent with the national quality strategy. It provides an additional \$20 million to support the endorsement and use of endorsed quality and efficiency measures by the HHS Secretary for use in Medicare reporting performance information to the public, and in health care programs.</p>	<p><u>What's Next:</u></p> <p>Requires the Secretary to develop and update (not less than every three years) provider-level outcome measures for hospitals and physicians.</p> <p>By no later than December 1 each year, starting in FY 2011, the HHS secretary must make public a list of measures being considered for selection with respect to Medicare reporting and payment systems.</p>
<p><u>A3. What's in the Law: Center for Quality Improvement & Patient Safety (Sec. 3501)</u></p> <p>Directs the AHRQ Director to establish a Center for Quality Improvement and Patient Safety. The Center will conduct and support research on delivery system best practices to foster widespread implementation.</p>	<p><u>What's Next:</u></p> <p>The AHRQ Director will immediately begin work to establish the new Center. The law allocates \$20 million (FYs 2010-2014) to the AHRQ director to establish the Center.</p>
<p><u>A4. What's in the Law: Institute to Oversee Comparative Effectiveness (Sec. 6301)</u></p> <p>Establishes a private, nonprofit entity – the Patient-Centered Outcomes Research Institute (PCORI) – to identify priorities for and oversee a national program of comparative clinical effectiveness research (CCER). Prohibits CCER findings and evidence to be construed as mandates for practice guidelines or coverage decisions. Contains patient safeguards to protect against discrimination against persons with disabilities, but permits the HHS Secretary to use CCER evidence and findings in determining coverage, reimbursement or incentive programs tied to evidence of clinical effectiveness. Provides funding for AHRQ to disseminate research findings of the Institute, train researchers in comparative research methods and to build data capacity for comparative effectiveness research. The Patient-Centered Outcomes Research Trust Fund will fund the Institute and its activities.</p>	<p><u>What's Next:</u></p> <p>The Patient-Centered Outcomes Research Institute must be organized and established, and then can begin the nomination process for the Board of Governors, as well as the Methodology Committee.</p> <p>The Institute is required to submit an annual report to Congress, the President and the public.</p>

B. Reporting to Enhance Quality & Equality

<p><u>B1. What's in the Law: Infrastructure for Reporting Performance Data (Sec. 10332)</u> Requires the HHS Secretary to establish and implement a strategy for publicly reporting performance data, which will include collecting and aggregating data. The HHS Secretary will make Medicare data (claims data, Parts A, B and D) available to qualified entities for the purpose of provider/supplier performance assessment and develop a plan to modernize CMS computer/data systems in order to better coordinate beneficiary care. This is important, because it provides the foundation for future quality measurement and reporting systems.</p>	<p><u>What's Next:</u> The HHS Secretary will immediately begin developing a plan to improve the CMS data system. The provision will take effect on January 1, 2012.</p>
<p><u>B2. What's in the Law: Physician Quality Reporting (Sec. 3002, Sec. 10327)</u> Establishes a <i>mandatory</i> physician quality reporting program beginning in 2015, while continuing the current quality reporting incentive program through 2014. Eligible professionals who successfully report quality data between 2011-2014 will receive a bonus payment. Those who do not successfully report quality data beginning in 2015 will see their payment reduced.</p> <p>Also establishes a registry option beginning in 2011 for eligible professionals to provide data on quality measures by reporting through a Maintenance of Certification program operated by the American Board of Medical Specialties.</p>	<p><u>What's Next:</u> The HHS Secretary must develop a mechanism to provide feedback to eligible professionals on whether they are properly reporting quality data and the likelihood (based on an interim assessment) that they will receive an incentive bonus. By January 1, 2011 an appeals process for eligible professionals must be put into place. By January 1, 2012 the Secretary must develop a plan to integrate clinical reporting on quality measures with reporting related to the meaningful use of electronic health records.</p>
<p><u>B3. What's in the Law: Physician Compare Web site (Sec. 10331)</u> Requires the HHS Secretary to develop a "Physician Compare" website, where Medicare beneficiaries can compare scientifically sound measures of physician quality and patient experience, provided that such information provides an accurate portrayal of physician performance.</p>	<p><u>What's Next:</u> The Compare website must be developed no later than January 1, 2011. The HHS Secretary must make information on physician performance on quality and patient experience measures available through the website by January 1, 2013. The HHS Secretary must submit a report to Congress on the website by January 1, 2015.</p>

<p><u>B4. What's in the Law: Reporting Data on Patient R/E/L (Sec. 4302, 5307)</u></p> <p>Requires more reporting of data on race, ethnicity, sex, primary language, disability status, etc. Requires collection of access and treatment data for people with disabilities. Requires qualified health plans to implement activities to reduce health disparities, including the use of language services, community outreach and cultural competency trainings.</p>	<p><u>What's Next:</u></p> <p>The HHS Secretary will analyze the data to monitor trends in disparities and address them starting in 2012.</p> <p>Not later than 24 months after the law's enactment, the HHS Secretary shall implements approaches identified in the analysis for the ongoing accurate and timely collection and evaluation of data on health care disparities.</p>
<p><u>B5. What's in the Law: Feedback to Physicians on Episodes of Care (Sec. 3003)</u></p> <p>Amends the physician feedback program to require utilization reports that combine feedback on separate clinical services into an entire 'episode of care' for which one or a group of physicians is responsible. Beginning in 2012, the HHS Secretary must provide feedback reports to physicians using an 'episode grouper' to compare the items/services they used with those of other physicians caring for patients with similar conditions. Feedback reports must include adjustments for demographic characteristics and health status of individuals.</p>	<p><u>What's Next:</u></p> <p>The HHS Secretary must develop the episode grouper by January 1, 2012; make the methodology available to the public and seek endorsement by a group such as the National Quality Forum.</p>
<p><u>B6. What's in the Law: Reporting from Health Plans on Improving Outcomes (Sec. 2717)</u></p> <p>Requires the HHS 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; to prevent hospital readmissions; to improve patient safety; and to promote wellness and health.</p>	<p><u>What's Next:</u></p> <p>By 2012, the HHS Secretary must consult relevant stakeholders to develop reporting requirements for health plans to promote improved outcomes. The HHS Secretary will also have to submit reports to Congress and make the reports available to the public through the Internet.</p>

C. Value-Based Purchasing & Payment Reforms

<p>C1. What's in the Law: Developing New Payment Models (Sec. 3021) Establishes a Center for Medicare and Medicaid Innovation (CMMI) within CMS, whose purpose is to develop innovative payment and delivery arrangements to improve the quality and reduce the cost of care provided to Medicare and Medicaid patients.</p> <p>Directly funds activities of the CMID with no separate appropriation required.</p>	<p>What's Next: The HHS Secretary will work to establish the CMMI, which must quickly develop models for priority testing, mount the pilots, evaluate them and potentially scale them up.</p> <p>Appropriated funding begins in FY 2010.</p>
<p>C2. What's in the Law: Independent Payment Advisory Board (Sec. 3403) Creates an Independent Payment Advisory Board that will present Congress with 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. Board recommendations may not ration care, increase beneficiary premiums or cost-sharing, or otherwise restrict benefits to Medicare. Board recommendations may also address non-federal health care programs.</p> <p>Requires the Board to submit a proposal to Congress if the CMS Office of the Actuary estimates projected per capita cost growth to be greater than the target growth rate for a given year.</p>	<p>What's Next: The Board is required to submit a final proposal to the President by January 15 of each year, beginning in 2014. The Board must also submit its first report with recommendations on non-federal programs no later than January 15, 2015, and at least once every two years thereafter.</p>
<p>C3. What's in the Law: Value-Based Physician Payment (Sec. 3007) Adjusts the physician fee schedule to vary payment to physicians or groups of physicians based on the quality of care they provide relative to the cost, in an effort to promote systems-based care. The HHS Secretary will establish a composite of appropriate, risk-based measures of quality that reflect the health outcomes and health status of Medicare beneficiaries, and establish a composite of appropriate measures of costs. The cost measures will be adjusted to remove the effect of geographic adjustment and take into account a range of socioeconomic variables.</p>	<p>What's Next: By January 1, 2012 the HHS Secretary must publish the specific measures of quality and cost, the specific dates for implementation of the payment modifier and the initial performance period. During the initial performance period, which will begin in 2014 and be used to determine payment adjustments in 2015, the HHS Secretary will provide information to physicians about the quality of care they provide. The payment modifier will be applied beginning January 1, 2014 for specific physicians selected by the HHS Secretary. By January 1, 2017 the modifier will be applied to all physicians and groups of physicians.</p>

<p><u>C4. What's in the Law: Accountable Care Organizations (Sec. 3022)</u> Authorizes the development of Accountable Care Organizations (ACOs) and provides for their compensation under various approaches. ACOs can include groups of health care physician groups, hospitals and nurse practitioners, as well as other providers. 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.</p> <p>Also requires the HHS Secretary to set a minimum threshold of savings relative to a benchmark that ACOs must achieve to be eligible to share in savings.</p>	<p><u>What's Next:</u> The HHS Secretary must establish this program by January 1, 2012.</p>
<p><u>C5. What's in the Law: Pediatrics/ACOs (Sec. 2706)</u> Establishes a demonstration project that allows qualified pediatric providers to be recognized and receive payments as Accountable Care Organizations under Medicaid.</p>	<p><u>What's Next:</u> The HHS Secretary will establish certain performance guidelines and require ACOs to meet them. The demonstration project will begin on January 1, 2012, and end on December 31, 2016. Providers selected must participate for at least three years.</p>
<p><u>C6. What's in the Law: Pilot Program on Bundled Payments (Sec. 3023)</u> Establishes a national pilot program on payment bundling, to encourage hospitals, doctors and post-acute care providers to coordinate their patient care, and achieve savings for the Medicare program. Also creates a Medicaid bundled payment demonstration to pay for hospital and physician services for an episode-of-care surrounding a hospitalization.</p>	<p><u>What's Next:</u> The HHS Secretary will develop the Medicare program by January 1, 2013 for a period of five years, and the Medicaid program by 2012.</p> <p>The Secretary will submit a plan to Congress expanding the program if doing so will improve patient care and reduce spending.</p>
<p><u>C7. What's in the Law: Hospital Payment Based on Quality (Sec. 3001)</u> Revises Medicare hospital payment standards to establish a Hospital Value-Based Purchasing Program. Under the program, a percentage of hospital payment would be determined by hospital performance on quality measures related to common and high-cost conditions, such as cardiac, surgical and pneumonia, but not hospital readmissions.</p>	<p><u>What's Next:</u> Quality measures used in the program, and yet to be determined, will be developed and chosen with input from external stakeholders. The program starts in FY 2013, and the stakeholders and program decision-makers are yet to be named.</p>

<p><u>C8. What's in the Law: Reducing Hospital Readmissions</u> (Sec. 3025)</p> <p>One wasteful aspect of health care spending that the law targets will target is hospital readmissions. Authorizes the adjustment of Medicare hospital payments to reflect hospitals' performance in readmission rates for three conditions: acute myocardial infarction, heart failure and pneumonia, in addition to surgeries and healthcare-associated infections.</p>	<p><u>What's Next:</u></p> <p>This provision will begin on or after October 1, 2012. The HHS Secretary will have the ability to expand the policy to additional conditions in future years, and will be required to publicly report readmission rates for the conditions that are being measured.</p>
<p><u>C9. What's in the Law: Penalty for Hospital-Acquired Conditions</u> (Sec. 3008)</p> <p>The law moves to control costs and improve quality by imposing a payment penalty under Medicare against hospitals in the top 25th percentile of hospital-acquired conditions for certain high-cost and common conditions. Prohibits Medicaid payment for services related to a health care-acquired condition. The HHS Secretary will develop a list of health care-acquired conditions for Medicaid based on those defined under Medicare as well as current state practices.</p>	<p><u>What's Next:</u></p> <p>Medicare payments to hospitals with high rates of hospital-acquired conditions will be reduced beginning in October 2014. Medicaid payments will be completely prohibited beginning July 1, 2011.</p>
<p><u>C10. What's in the Law: Extension of Gainsharing Demonstration</u> (Sec. 3027)</p> <p>Extends CMS' current gainsharing demonstration until September 30, 2011, with an additional \$1.6 million for FY 2010. Extends the final report deadline to September 30, 2012.</p>	<p><u>What's Next:</u></p> <p>CMS will continue to operate the current gainsharing demonstration.</p>
<p><u>C11. What's in the Law: Home-Based Primary Care Pilot</u> (Sec. 3024)</p> <p>Requires the HHS Secretary to conduct a pilot program to test a payment incentive and service delivery model that utilizes physician and nurse practitioner-directed home-based primary care teams designed to reduce expenditures and improve health outcomes in the provision of items and services for chronically ill Medicare beneficiaries.</p>	<p><u>What's Next:</u></p> <p>HHS Secretary will work to implement the pilot program with CMS. The demonstration program shall begin no later than January 1, 2012. Appropriates \$5 million for each of FY 2010–2015.</p>

<p>C12. <u>What's in the Law:</u> Assessing Health Plan Value (Sec. 10329) Requires the HHS Secretary to consult with payers, consumers, employers, providers and other entities to develop a methodology to assess health plan value. The measures must focus on cost, quality and efficiency.</p>	<p><u>What's Next:</u> The HHS Secretary must submit a report to Congress no later than September 2011 on the planned methodology.</p>
<p>C13. <u>What's in the Law:</u> Medicare Advantage Quality Bonuses (Sec. 1103) Increases benchmarks for plans with a quality rating of four or more stars on a five-star scale beginning in 2012. Provides for increasing bonus payments beginning in 2013. Provides for double bonuses for qualifying plans in qualifying counties.</p>	<p><u>What's Next:</u> The HHS Secretary must establish a method to apply quality ratings to low-enrollment plans. Beginning in 2014, the HHS Secretary will calculate bonuses for low enrollment plans using a regional or local mean of the rating of all plans in the region or local area.</p>
<p>C14. <u>What's in the Law:</u> Medicaid Payment Demonstration (Sec. 2705) Requires the HHS Secretary to coordinate with CMS' Innovation Center on a Medicaid Global Payment System Demonstration to pay capitated rates to a safety net hospital system or network in up to five states from FY 2010-2012.</p>	<p><u>What's Next:</u> As soon as the Center is created, the HHS Secretary will begin working to establish the demonstration. Demonstration does not require budget neutrality.</p>

D. Care Coordination & Engaging Patients

<p>D1. <u>What's in the Law:</u> Standards for Shared Decision-Making Materials (sec. 3506) Requires the HHS Secretary to contract with an entity to develop standards for certifying patient decision aids. Establishes a grant program to develop, update, implement and evaluate decision aids (educational pamphlets, videos, etc.) on improving patient understanding and decision-making of treatment options.</p>	<p><u>What's Next:</u> Looks to the translation and dissemination of information on treatment options as a promising method for improving quality. Implementation is pending appropriations.</p>
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<p><u>D2. What's in the Law: Community-Based Patient Navigator Demonstration (Sec. 3510)</u> Reauthorizes demonstration programs to provide patient navigator services within communities to assist patients in overcoming barriers to health services. Program facilitates care by assisting individuals coordinate health services and provider referrals, and assisting community organizations in helping individuals receive better access to care, information on clinical trials, and conduct outreach to health disparity populations.</p>	<p><u>What's Next:</u> Authorizes \$3.5 million for FY 2010 and necessary sums for FY 2011–2015.</p>
<p><u>D3. What's in the Law: Supporting Patient-Centered Medical Homes (Sec. 2703, 3502)</u> Creates a program to establish and fund community health teams to support the development of medical homes by increasing access to comprehensive, community-based, coordinated care. Provides states with 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.</p> <p>An independent evaluation of the impact of this option on reducing hospital admissions, emergency room visits and admissions to skilled nursing facilities would be conducted.</p>	<p><u>What's Next:</u> The HHS Secretary will award grants and contracts to state or state-eligible entities to implement multidisciplinary health teams. The state option would be available beginning January 1, 2011.</p>
<p><u>D4. What's in the Law: Improving Transitions in Care (Sec. 3026)</u> Establishes the Community-Based Care Transitions Program, a three-year Medicare pilot program to improve beneficiaries' transitions from hospitals to other settings of care using interventions implemented by the hospital and community-based partnership organizations.</p>	<p><u>What's Next:</u> HHS Secretary will work with CMS to implement the pilot program. The program will be conducted for a five-year period, beginning January 1, 2011.</p>
<p><u>D5. What's in the Law: Better Care Coordination for Dual-Eligibles (Sec. 2602)</u> Establishes a federal Coordinated Health Care Office (CHCO) within CMS. The purpose of the CHCO would be to bring together officials of the Medicare and Medicaid programs to more effectively integrate benefits under those programs, and improve care coordination between the federal and state governments for individuals eligible for both Medicare and Medicaid.</p>	<p><u>What's Next:</u> The Coordinated Health Care Office must be established no later than March 1, 2010.</p>

<p><u>D6. What's in the Law: Community Health Centers / National Health Services Corps (Sec. 10503)</u> Appropriates \$12.5 billion between FY 2011-2015 for the expansion of community health centers (\$9.5 billion in operating support and \$1.5 billion in capital investments) and the National Health Services Corps (\$1.5 billion).</p>	<p><u>What's Next:</u> Expansion funding first becomes available during 2011, with administration by the Health Resources and Services Administration. Application procedures expected during spring or summer 2010.</p>
<p><u>D7. What's in the Law: National Report Card on Diabetes (Sec. 10407)</u> The law directs the HHS Secretary to develop a national report card on diabetes to be updated every two years. To develop the report card, the HHS Secretary will work with health professionals and individual states to improve data collection related to diabetes and other chronic diseases.</p>	<p><u>What's Next:</u> A study will be commissioned by the Institute of Medicine to determine the impact of diabetes on medical care.</p>
<p><u>D8. What's in the Law: Congenital Heart Disease Surveillance System (Sec. 10411)</u> Authorizes the HHS Secretary 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.</p>	<p><u>What's Next:</u> Authorizes funding necessary for such activities for FY 2011–2015. Also expands, intensifies and coordinates research at the National Institutes of Health (NIH) on congenital heart disease.</p>
<p><u>D9. What's in the Law: Centers of Excellence for Depression (Sec. 10410)</u> Directs the Administrator of the Substance Abuse and Mental Health Services Administration (SAMHSA) to award grants to establish National Centers of Excellence for Depression. The Centers will be responsible for developing, implementing and disseminating treatment standards and clinical guidelines that emphasize primary prevention, early intervention, treatment for and recovery from depressive disorders.</p>	<p><u>What's Next:</u> The Administrator of SAMHSA will award grants to establish no more than 20 Centers by March 2011, and 30 Centers by 2016. By September 30, 2015, the HHS Secretary must make recommendations to the Centers, regarding improvements they must make and to Congress for expanding the Centers to serve individuals with other mental disorders.</p>
<p><u>D10. What's in the Law: State-Based Maternal and Child Health Models (Sec. 511, 2951, 3509)</u> Provides funding to states 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 their related causes. Provides for women's health offices at various federal agencies to improve prevention, treatment and research for women in health program.</p>	<p><u>What's Next:</u> By September 2010, states will need to conduct statewide needs assessments that identify communities with high infant and maternal fatality rates, the quality and capacity of existing state programs and the state's capacity for providing substance abuse treatment and counseling services.</p>

<p>D.11 What's in the Law: Breast Cancer Education Campaign (Sec. 10413) Directs the HHS Secretary to develop, in collaboration with the CDC, a national education campaign for young women and health care professionals about breast health and risk factors for breast cancer.</p>	<p>What's Next: Authorizes \$9 million for each FY from 2010–2014. Also supports prevention research activities at the CDC on breast cancer in younger women.</p>
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E. Building a Health Care Workforce Focused on Quality & Equality

<p>E1. What's in the Law: Integrating Quality Improvement into Clinical Education (Sec. 3508) 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.</p>	<p>What's Next: The HHS Secretary may award grants to entities that provide some matching funds for the costs of the program. The HHS Secretary must submit a report no later than 2012 that describes the specific projects funded.</p>
<p>E2. What's in the Law: Increase Diversity of Health Workforce (Sec. 5402, 5405) Extends funding to Centers for Excellence to support minorities interested in careers in health. Provides scholarships for disadvantaged students. Expands allowable uses of diversity grants. Creates Primary Care Extension Program to educate primary care providers about evidence-based therapies, health promotion and disease management. Provides grants and loan forgiveness for different health care professionals.</p>	<p>What's Next: Increases current funding and provides additional funding for programs. Authorizes \$120 million for each of fiscal years 2011 and 2012.</p>
<p>E3. What's in the Law: Primary Care Training (Sec. 5301) The law aims to improve quality by providing grants to develop and operate training programs, providing financial assistance to trainees and faculty, enhancing faculty development in primary care and physician assistant programs and establishing academic units in primary care.</p>	<p>What's Next: The HHS Secretary will manage grant-making or enter into contracts with accredited schools of medicine. Authorizes \$125M for FY 2010.</p>

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