

103^D CONGRESS
2^D SESSION

H. R. 3909

To amend title XVII of the Public Health Service Act to authorize the Secretary of Health and Human Services to make grants to establish and develop telemedicine projects for rural areas, to establish a health care data interchange system, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 1994

Mr. LARocco introduced the following bill; which was referred jointly to the Committees on Energy and Commerce, Ways and Means, Armed Services, Veterans' Affairs, Post Office and Civil Service, Natural Resources, and Education and Labor

A BILL

To amend title XVII of the Public Health Service Act to authorize the Secretary of Health and Human Services to make grants to establish and develop telemedicine projects for rural areas, to establish a health care data interchange system, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **TITLE I—PROMOTION OF**
2 **TELEMEDICINE PROJECTS**
3 **FOR RURAL AREAS**

4 **SECTION 101. GRANTS TO RURAL HEALTH CARE PROVID-**
5 **ERS AND RURAL HEALTH CARE NETWORKS**
6 **TO ESTABLISH AND DEVELOP TELEMEDICINE**
7 **PROJECTS.**

8 Title XVII of the Public Health Service Act (42
9 U.S.C. 300u et seq.) is amended—

10 (1) by striking the title heading and inserting
11 the following:

12 **“TITLE XVII—HEALTH INFORMA-**
13 **TION, HEALTH PROMOTION,**
14 **AND PROMOTION OF**
15 **TELEMEDICINE PROJECTS**

16 **“PART A—HEALTH INFORMATION AND HEALTH**
17 **PROMOTION”;** and

18 (2) by adding at the end the following:

19 **“PART B—PROMOTION OF TELEMEDICINE**
20 **PROJECTS FOR RURAL AREAS**

21 **“SEC. 1711. PURPOSES.**

22 “The purposes of this part are as follows:

23 “(1) To support the establishment and develop-
24 ment of telemedicine projects that use telecommuni-
25 cations technologies and other technologies to in-

1 crease the quality and accessibility of health care in
2 rural areas and to reduce the costs of such care.
3 Such technologies may include—

4 “(A) testbed networks for linking health
5 care providers, medical schools, medical libraries,
6 and universities to enable health care providers
7 and researchers to share medical images
8 and to develop computer-based records;

9 “(B) software and visualization technology
10 for visualizing the human anatomy and analyzing
11 diagnostic images and records;

12 “(C) virtual reality technology for simulating
13 surgical and medical procedures;

14 “(D) collaborative technology to allow geographically
15 remote health care providers to provide real-time
16 treatment to patients;

17 “(E) interactive technologies to allow
18 health care providers to monitor, evaluate, and
19 treat patients in nonclinical settings;

20 “(F) database technology to provide health
21 care providers with access to relevant medical
22 information and literature; and

23 “(G) database technology for storing,
24 accessing, and transmitting patients’ medical

1 records while protecting the accuracy and pri-
2 vacy of such records.

3 “(2) To encourage the use of the telecommuni-
4 cations technologies and other technologies described
5 in paragraph (1)—

6 “(A) to permit rural health care providers
7 to maintain contact with itinerant staff and re-
8 mote specialists;

9 “(B) to permit patients in rural areas to
10 receive health care locally whenever possible;

11 “(C) to reduce the costs of health care in
12 rural areas by reducing the costs of paperwork;

13 “(D) to improve coordination and effi-
14 ciency in the provision of health care in rural
15 areas; and

16 “(E) to provide rural health care providers
17 with access to equipment, specialists, and con-
18 tinuing education programs that may not be
19 otherwise available in rural areas.

20 “(3) To demonstrate the effectiveness of tele-
21 communications technologies and other technologies
22 in improving the quality and accessibility of health
23 care in rural areas and reducing the costs of such
24 care.

1 **“SEC. 1712. GRANTS FOR ESTABLISHMENT OF**
2 **TELEMEDICINE PROJECTS.**

3 “(a) IN GENERAL.—The Secretary may make grants
4 under this section to rural health care providers and rural
5 health care networks for the establishment, and initial de-
6 velopment and operation, of telemedicine projects that are
7 consistent with the purposes of this part.

8 “(b) APPLICATIONS.—

9 “(1) SUBMISSION.—To apply for a grant under
10 this section for any fiscal year, a rural health care
11 provider or a rural health care network shall submit
12 an application to the Secretary in accordance with
13 the procedures established by the Secretary. The
14 Secretary shall establish a deadline for the submis-
15 sion of applications under this paragraph for each
16 fiscal year.

17 “(2) CRITERIA FOR APPROVAL.—The Secretary
18 may not approve an application submitted under
19 paragraph (1) unless the application includes assur-
20 ances satisfactory to the Secretary that funds re-
21 ceived under this section will be used for 1 or more
22 of the following purposes:

23 “(A) To develop or acquire, through lease
24 or purchase, computer hardware, computer soft-
25 ware, audio equipment, video equipment, com-
26 puter network equipment, telecommunications

1 transmission facilities, telecommunications ter-
2 minal equipment, interactive video equipment,
3 data terminal equipment, or other facilities or
4 equipment consistent with the purposes of this
5 part.

6 “(B) To develop or acquire instructional
7 programming consistent with the purposes of
8 this part.

9 “(C) To receive technical assistance or in-
10 struction with respect to the development or use
11 of such facilities, equipment, or instructional
12 programming.

13 “(D) Such other purposes as may be ap-
14 proved by the Secretary consistent with the
15 purposes of this part.

16 “(3) PETITIONS FOR RECONSIDERATION AND
17 REAPPLICATIONS.—

18 “(A) IN GENERAL.—With respect to an ap-
19 plication submitted under paragraph (1) that is
20 disapproved under this subsection, the applicant
21 may submit to the Secretary—

22 “(i) a petition for reconsideration of
23 the application; and

24 “(ii) an application that conforms to
25 the requirements of this subsection.

1 “(B) DEADLINES.—The Secretary shall es-
2 tablish a deadline for the submission of peti-
3 tions for reconsideration and reapplications
4 under this paragraph for each fiscal year. The
5 Secretary shall approve or disapprove each such
6 petition and reapplication before the termi-
7 nation of the 60-day period beginning on the
8 date of such submission.

9 “(c) PREFERENCES IN AWARDING GRANTS.—

10 “(1) IN GENERAL.—In awarding grants under
11 this section, the Secretary shall give preference to
12 applicants that are not using any of the tele-
13 communications technologies or other technologies
14 described in section 1711(1) at the time the appli-
15 cant submits an application under subsection (b).

16 “(2) PREFERENCES AMONG NETWORKS.—Ex-
17 cept as provided in paragraph (4), in awarding
18 grants under this section to rural health care net-
19 works, the Secretary shall give preference to net-
20 works that demonstrate, through the membership of
21 the network, broad geographic representation of
22 rural areas in the State or States in which the net-
23 work intends to establish and develop a project with
24 funds received under this section.

1 “(d) GRANTS RESERVED FOR HEALTH CARE PRO-
2 VIDERS AND SMALL HEALTH CARE NETWORKS.—At least
3 40 percent of the grants made by the Secretary under this
4 section shall be made to rural health care providers or
5 rural health care networks with 10 or fewer members.

6 **“SEC. 1713. GRANTS FOR DEVELOPMENT OF ADVANCED**
7 **TELEMEDICINE PROJECTS.**

8 “(a) IN GENERAL.—The Secretary may make grants
9 under this section to applicant groups consisting of 2 or
10 more rural health care networks for the purposes of elec-
11 tronically linking existing telemedicine projects established
12 by such networks and further developing such linked
13 projects in a manner that is consistent with the purposes
14 of this part.

15 “(b) APPLICATIONS.—

16 “(1) SUBMISSION.—To apply for a grant under
17 this section for any fiscal year, a group consisting of
18 2 or more rural health care networks shall submit
19 an application to the Secretary in accordance with
20 the procedures established by the Secretary. The
21 Secretary shall establish a deadline for the submis-
22 sion of applications under this paragraph for each
23 fiscal year.

24 “(2) CRITERIA FOR APPROVAL.—The Secretary
25 may not approve an application submitted by a

1 group under paragraph (1) unless the application in-
2 cludes assurances satisfactory to the Secretary
3 that—

4 “(A) the group, through the membership
5 of the networks that are part of the group,
6 broadly geographically represents rural areas in
7 the State or States in which the group intends
8 to link and develop telemedicine projects with
9 funds received under this section; and

10 “(B) funds received under this section will
11 be used for 1 or more of the following purposes:

12 “(i) To develop or acquire, through
13 lease or purchase, computer hardware,
14 computer software, audio equipment, video
15 equipment, computer network equipment,
16 telecommunications transmission facilities,
17 telecommunications terminal equipment,
18 interactive video equipment, data terminal
19 equipment, or other facilities or equipment
20 consistent with the purposes of this part.

21 “(ii) To develop or acquire instruc-
22 tional programming consistent with the
23 purposes of this part.

24 “(iii) To receive technical assistance
25 or instruction with respect to the develop-

1 ment or use of such facilities, equipment,
2 or instructional programming.

3 “(iv) Such other purposes as may be
4 approved by the Secretary consistent with
5 the purposes of this part.

6 “(3) PETITIONS FOR RECONSIDERATION AND
7 REAPPLICATIONS.—

8 “(A) IN GENERAL.—With respect to an ap-
9 plication submitted under paragraph (1) that is
10 disapproved under this subsection, the applicant
11 may submit to the Secretary—

12 “(i) a petition for reconsideration of
13 the application; and

14 “(ii) an application that conforms to
15 the requirements of this subsection.

16 “(B) DEADLINES.—The Secretary shall es-
17 tablish a deadline for the submission of peti-
18 tions for reconsideration and reapplications
19 under this paragraph for each fiscal year. The
20 Secretary shall approve or disapprove each such
21 petition and reapplication before the termi-
22 nation of the 60-day period beginning on the
23 date of such submission.

1 “(c) PREFERENCE IN AWARDING GRANTS.—In
2 awarding grants under this section, the Secretary shall
3 give preference to groups that—

4 “(1) demonstrate that each of the rural health
5 care networks that is a part of the group was cre-
6 ated more than 1 year before the date on which the
7 application was submitted by the group; and

8 “(2) provide assurances satisfactory to the Sec-
9 retary that the group will use funds received under
10 this section to provide a broad range of health care
11 and educational services through the telemedicine
12 projects linked and developed using such funds.

13 **“SEC. 1714. REVIEW AND SANCTIONS.**

14 “The Secretary shall review at least annually the
15 compliance of a person receiving a grant under this part
16 with the provisions of this part. The Secretary shall estab-
17 lish a procedure for determining whether such a person
18 has failed to comply substantially within the provisions of
19 this part and the sanctions to be imposed for any such
20 noncompliance.

21 **“SEC. 1715. ANNUAL REPORT.**

22 “The Secretary shall include in the annual report
23 under section 1705 a description of the activities carried
24 out under this part.

1 **“SEC. 1716. REGULATIONS.**

2 “The Secretary may issue any regulations necessary
3 to carry out this part.

4 **“SEC. 1717. DEFINITIONS.**

5 “For purposes of this part:

6 “(1) **COMPUTER NETWORK EQUIPMENT.**—The
7 term ‘computer network equipment’ means computer
8 hardware and software, terminals, signal conversion
9 equipment including both modulators and
10 demodulators, or related devices, used to commu-
11 nicate with other computers to process and exchange
12 data through a telecommunications network in which
13 signals are generated, modified, prepared for trans-
14 mission, or received, via telecommunications terminal
15 equipment and telecommunications transmission
16 facilities.

17 “(2) **DATA TERMINAL EQUIPMENT.**—The term
18 ‘data terminal equipment’ means equipment that
19 converts user information into data signals for
20 transmission, or reconverts the received data signals
21 into user information, and is normally found on the
22 terminal of a circuit and on the premises of the end
23 user.

24 “(3) **FIBER OPTIC CABLE.**—The term ‘fiber
25 optic cable’ means a bundle of optical transmission
26 elements or waveguides usually consisting of fiber

1 core and fiber cladding that can guide a lightwave
2 and that are incorporated into an assembly of
3 materials that provide tensile strength and external
4 protection.

5 “(4) HEALTH CARE PROVIDER.—The term
6 ‘health care provider’ means a person who is li-
7 censed, certified, registered, or otherwise authorized
8 by law to provide health care in the ordinary course
9 of business or practice of a profession.

10 “(5) INTERACTIVE VIDEO EQUIPMENT.—The
11 term ‘interactive video equipment’ means equipment
12 used to produce and prepare for transmission audio
13 and visual signals from at least 2 distant locations
14 in order that individuals at such locations can ver-
15 bally and visually communicate with each other.
16 Such equipment includes monitors, other display de-
17 vices, cameras or other recording devices, audio pick-
18 up devices, and related equipment.

19 “(6) RURAL AREA.—The term ‘rural area’ has
20 the meaning given such term in section
21 1866(d)(2)(D) of the Social Security Act.

22 “(7) RURAL HEALTH CARE NETWORK.—The
23 term ‘rural health care network’ means a group of
24 rural health care providers that have entered into a
25 formal relationship with each other or with health

1 care providers in an area that is not a rural area for
2 the purpose of improving the delivery of health care
3 in a rural area, or for the purpose of improving the
4 access of their patients to the services of a
5 telemedicine project.

6 “(8) RURAL HEALTH CARE PROVIDER.—The
7 term ‘rural health care provider’ means a health
8 care provider who provides health care in a rural
9 area.

10 “(9) TELECOMMUNICATIONS TERMINAL EQUIP-
11 MENT.—The term ‘telecommunications terminal
12 equipment’ means the assembly of telecommuni-
13 cations equipment at the end of a circuit, normally
14 located on the premises of the end user, that inter-
15 faces with telecommunications transmission facilities
16 and that is used to modify, convert, encode, or oth-
17 erwise prepare signals to be transmitted via such
18 telecommunications equipment or that is used to
19 modify, reconvert, or carry signals received from
20 such facilities, the purpose of which is to accomplish
21 the goal for which the circuit was established.

22 “(10) TELECOMMUNICATIONS TRANSMISSION
23 FACILITIES.—The term ‘telecommunications trans-
24 mission facilities’ means facilities that transmit, re-
25 ceive, or carry data between telecommunications ter-

1 minal equipment at each end of a telecommuni-
2 cations circuit or path. Such facilities include micro-
3 wave antennae, relay stations and towers, other tele-
4 communications antennae, fiber optic cables and re-
5 peaters, coaxial cables, communication satellite
6 ground station complexes, copper cable electronic
7 equipment associated with telecommunications trans-
8 missions, and similar items as defined by the
9 Secretary.

10 **“SEC. 1718. AUTHORIZATION OF APPROPRIATIONS.**

11 “There are authorized to be appropriated to carry out
12 this part such sums as may be necessary for each of the
13 fiscal years 1995 through 1998.”.

14 **TITLE II—HEALTH CARE DATA**
15 **INTERCHANGE SYSTEM**

16 **SEC. 201. ESTABLISHMENT OF HEALTH CARE DATA INTER-**
17 **CHANGE SYSTEM.**

18 (a) **IN GENERAL.**—In accordance with the procedures
19 provided in this title, there shall be established a health
20 care data interchange system the purpose of which is to
21 make health care data available on a uniform basis to all
22 participants in the health care system.

23 (b) **GENERAL REQUIREMENTS FOR SYSTEM.**—The
24 system described in subsection (a) shall ensure—

1 (1) the integration of all participants in the
2 health care system;

3 (2) the use of uniform processes which will per-
4 mit participants in the health care system to com-
5 municate electronically for the submission and re-
6 ceipt of health care data;

7 (3) the privacy of individuals who are patients
8 receiving health care services and the confidentiality
9 of information in the data interchange system;

10 (4) that the data in the system is verifiable,
11 timely, accurate, reliable, useful, complete, relevant,
12 time and date stamped, and comparable; and

13 (5) an overall reduction in the administrative
14 burdens and costs of the health care system, an
15 overall increase in the productivity, effectiveness,
16 and efficiency of the system, and an overall increase
17 in the quality of care furnished by the system.

18 (c) GENERAL IMPLEMENTATION.—The system de-
19 scribed in subsection (a) shall be implemented through—

20 (1) the development of proposed regulations as
21 provided under section 202 by the Health Care Data
22 Panel established under section 213 (referred to in
23 this title as the “Panel”); and

24 (2) the development of final regulations through
25 the Office of Management and Budget (referred to

1 in this title as “OMB”) as provided under section
2 203.

3 **SEC. 202. DEVELOPMENT OF PROPOSED REGULATIONS BY**
4 **PANEL.**

5 (a) IN GENERAL.—The Panel shall, in consultation
6 with the National Health Informatics Commission estab-
7 lished under section 214, develop proposed regulations for
8 the implementation and ongoing operation of an inte-
9 grated electronic health care data interchange system that
10 are based on the operating standards, conventions, re-
11 quirements, and procedures for the system established, se-
12 lected, or developed by the Panel under sections 204
13 through 210.

14 (b) REQUIREMENTS RELATING TO PROPOSED REGU-
15 LATIONS.—The proposed regulations developed under sub-
16 section (a) shall—

17 (1) be submitted to OMB not later than 30
18 days after the date on which the Panel is required
19 to establish, select, or develop any of such operating
20 standards, conventions, requirements, and proce-
21 dures for the system; and

22 (2) provide that the general requirements for
23 the system referred to in section 201(b) are met.

24 (c) MODIFICATIONS.—The Panel shall continuously
25 monitor the implementation of the regulations promul-

1 gated by OMB under section 203 and shall submit to
2 OMB any proposed modifications to such regulations de-
3 termined appropriate by the Panel. The requirements of
4 section 203 shall apply to any such proposed modifications
5 in the same manner as such requirements apply to the
6 proposed regulations initially submitted by the Panel.

7 **SEC. 203. PROMULGATION AND IMPLEMENTATION OF PRO-**
8 **POSED REGULATIONS BY OMB.**

9 (a) PROMULGATION OF REGULATIONS.—OMB shall
10 promulgate regulations based on the proposed regulations
11 submitted under section 202 within 90 days after the date
12 such proposed regulations are submitted.

13 (b) APPLICABILITY.—

14 (1) IN GENERAL.—The regulations promulgated
15 by OMB shall apply to all participants in the health
16 care system.

17 (2) SPECIAL RULE REGARDING THE MEDICARE
18 PROGRAM.—The Secretary may incorporate the ca-
19 pabilities of the common working file used in the
20 medicare program under title XVIII of the Social
21 Security Act into a uniform working file system de-
22 veloped and operated according to the regulations
23 referred to in subsection (a).

24 (c) COMPLIANCE WITH REGULATIONS.—

1 (1) IN GENERAL.—Not later than 1 year after
2 the date on which any regulations (other than the
3 regulations described in paragraph (2)) are promul-
4 gated by OMB, all participants in the health care
5 system shall be required to comply with such regula-
6 tions.

7 (2) COMPREHENSIVE QUALITY MEASUREMENT
8 DATA.—Not later than 2 years after the date on
9 which any regulations relating to standards, conven-
10 tions, and requirements for comprehensive quality
11 measurement data (as described in subsection
12 204(e)(3)) are promulgated by OMB, all partici-
13 pants in the health care system shall be required to
14 comply with such regulations.

15 **SEC. 204. SELECTION AND ESTABLISHMENT OF DATA AND**
16 **TRANSACTION STANDARDS, CONVENTIONS,**
17 **AND REQUIREMENTS FOR THE DATA INTER-**
18 **CHANGE SYSTEM.**

19 (a) IN GENERAL.—The Panel, in consultation with
20 the American National Standards Institute (referred to in
21 this title as “ANSI”), shall select and establish data and
22 transaction standards, conventions, and requirements that
23 permit the electronic interchange of any health care data
24 the Panel determines necessary for the efficient and effec-
25 tive administration of the health care system.

1 (b) MINIMUM REQUIREMENTS.—The data and trans-
2 action standards, conventions, and requirements selected
3 and established by the Panel under this section shall, at
4 a minimum—

5 (1) ensure that the data interchange system
6 shall have the capability to comply with such stand-
7 ards, conventions, and requirements; and

8 (2) be based on any standards that are in use
9 and generally accepted on the date of the enactment
10 of this title or that are recommended by nationally
11 recognized standard setting groups, including ANSI,
12 the National Uniform Billing Committee, the Uni-
13 form Claim Form Task Force, the National Commit-
14 tee for Prescription Drug Programs, and the
15 Healthcare Informatics Standards Planning Panel.

16 (c) APPLICABILITY.—The proposed regulations devel-
17 oped by the Panel shall provide that—

18 (1) any participant in the health care system
19 who has the capability to interchange data through
20 a uniform working file developed by the Panel under
21 section 205 shall be required to transmit and receive
22 such data using the standards, conventions, and re-
23 quirements developed by the Panel under this sec-
24 tion; and

1 (2) any participant in the health care system
2 who does not have such capability shall be required
3 to transmit and receive data through a health care
4 information clearinghouse or a health care value-
5 added network that is certified under the procedure
6 established pursuant to section 211.

7 (d) ADDITIONAL REQUIREMENTS.—

8 (1) IN GENERAL.—The proposed regulations
9 developed by the Panel shall provide that no partici-
10 pant in the health care system shall be permitted to
11 establish data requirements in addition to such
12 standards, conventions, and requirements established
13 by the Panel and included in regulations promul-
14 gated by OMB—

15 (A) unless 2 or more participants volun-
16 tarily establish such additional requirements
17 and the requirements meet all of the privacy
18 and confidentiality standards developed by the
19 Panel under this title and included in any regu-
20 lations promulgated by OMB; or

21 (B) unless a waiver is granted under para-
22 graph (2) to establish such additional require-
23 ments.

24 (2) CONDITIONS FOR WAIVERS.—

1 (A) IN GENERAL.—The proposed regula-
2 tions developed by the Panel shall provide that
3 any participant in the health care system may
4 request a waiver to establish additional data re-
5 quirements.

6 (B) CONSIDERATION OF WAIVER RE-
7 QUESTS.—The proposed regulations developed
8 by the Panel shall provide that no waiver shall
9 be granted under this paragraph unless the en-
10 tity granting such waiver considers the value of
11 the additional data to be exchanged for re-
12 search or other purposes determined appro-
13 priate by the Panel, the administrative cost of
14 the additional data requirements, the burden of
15 the additional data requirements, and the bur-
16 den of the timing of the imposition of the addi-
17 tional data requirements.

18 (C) CERTAIN REQUESTS FOR WAIVERS.—
19 The proposed regulations developed by the
20 Panel shall provide that if a participant in the
21 health care system attempts to impose addi-
22 tional data requirements on any other such par-
23 ticipant, the participant on which such require-
24 ments are being imposed may contact the Sec-
25 retary. The Panel shall develop a procedure

1 under which any participant in the health care
2 system contacting the Secretary under the pre-
3 ceding sentence shall remain anonymous. The
4 Secretary shall notify the participant imposing
5 the additional data requirements that such re-
6 quirements may not be imposed on any other
7 participant unless such other participant volun-
8 tarily agrees to such requirements or a waiver
9 is obtained under this paragraph.

10 (e) TIMETABLE FOR STANDARDS, CONVENTIONS,
11 AND REQUIREMENTS.—

12 (1) STANDARDS, CONVENTIONS, AND REQUIRE-
13 MENTS RELATING TO FINANCIAL AND ADMINISTRA-
14 TIVE TRANSACTIONS.—Not later than 9 months
15 after the date of the enactment of this title, the
16 Panel shall develop data and transaction standards,
17 conventions, and requirements for the following
18 items relating to the financing and administration of
19 health care:

20 (A) Enrollment.

21 (B) Eligibility.

22 (C) Payment and remittance advice.

23 (D) Claims.

24 (E) Claims status.

25 (F) Coordination of benefits.

1 (G) Crossover billing.

2 (H) First report of injury.

3 (I) Standardized claim attachments.

4 (J) Any other items relating to the financ-
5 ing and administration of health care delivery.

6 (2) STANDARDS, CONVENTIONS, AND REQUIRE-
7 MENTS RELATING TO INITIAL QUALITY MEASURE-
8 MENT INDICATORS.—Not later than 12 months after
9 the date of the enactment of this title, the Panel
10 shall develop data and transaction standards, con-
11 ventions, and requirements for participants in the
12 health care system to transmit data derived from the
13 financial and administrative transactions data de-
14 scribed in paragraph (1) on quality measurement,
15 utilization monitoring, risk assessment, patient satis-
16 faction, outcomes, and access.

17 (3) STANDARDS, CONVENTIONS, AND REQUIRE-
18 MENTS RELATING TO COMPREHENSIVE QUALITY
19 MEASUREMENT DATA.—Not later than 24 months
20 after the date of the enactment of this title, the
21 Panel shall develop standards, conventions, and re-
22 quirements for participants in the health care sys-
23 tem to transmit comprehensive data collected at the
24 site of care on quality measurement, utilization mon-

1 itoring, risk assessment, patient satisfaction, out-
2 comes, and access.

3 (4) STANDARDS, CONVENTIONS, AND REQUIRE-
4 MENTS RELATING TO DATA ON PATIENT CARE
5 RECORDS.—Not later than 36 months after the date
6 of the enactment of this title, the Panel shall develop
7 standards, conventions, and requirements related to
8 the inclusion of data from patient care records into
9 the health care data interchange system, including
10 standards, conventions, and requirements on the
11 identification of the origin of any data from such
12 records that is included in such system.

13 (5) STANDARDS, CONVENTIONS, AND REQUIRE-
14 MENTS FOR THE CENTERS FOR DISEASE CONTROL
15 AND PREVENTION.—Not later than 36 months after
16 the date of the enactment of this title, the Panel, in
17 collaboration with the Centers for Disease Control
18 and Prevention (referred to in this title as the
19 “CDCP”) and in consultation with State depart-
20 ments of health, shall develop standards, conven-
21 tions, and requirements for the electronic inter-
22 change of data on vital health statistics collected by
23 CDCP or the States or any other such data as
24 CDCP determines appropriate.

25 (f) WAIVERS OF COMPLIANCE.—

1 (1) FINANCIAL AND ADMINISTRATIVE TRANS-
2 ACTIONS.—The proposed regulations developed by
3 the Panel shall provide that any of the data and
4 transaction standards, conventions, and require-
5 ments relating to financial and administrative trans-
6 actions developed by the Panel under subsection
7 (e)(1) may be waived until January 1, 1995, for a
8 health care provider that—

9 (A) does not have access to a health care
10 information clearinghouse or a health care
11 value-added network, is in the process of devel-
12 oping a system that complies with such stand-
13 ards, conventions, and requirements, and
14 executes an agreement with the appropriate
15 regulatory entity that such provider will meet
16 such standards, conventions, and requirements
17 by a specified date (not later than January 1,
18 1995); or

19 (B) is a small rural hospital (as defined by
20 the Panel and included in regulations promul-
21 gated by OMB).

22 (2) COMPREHENSIVE QUALITY MEASUREMENT
23 DATA.—The proposed regulations developed by the
24 Panel shall provide that any of the data and trans-
25 action standards, conventions, and requirements re-

1 lating to comprehensive quality measurement data
2 developed by the Panel under subsection (e)(3) may
3 be waived until January 1, 1998, for a health care
4 provider that—

5 (A) does not have access to a health care
6 information clearinghouse or a health care
7 value-added network, is in the process of devel-
8 oping a system that complies with such stand-
9 ards, conventions, and requirements, and
10 executes an agreement with the appropriate
11 regulatory entity that such provider will meet
12 such standards and requirements by a specified
13 date (not later than January 1, 1998); or

14 (B) agrees to obtain from such provider's
15 records the data elements that are needed to
16 meet the standards and requirements developed
17 under subsection (e)(3) and agrees to subject
18 the provider's data transfer process to a quality
19 assurance program that is satisfactory to the
20 appropriate regulatory entity.

21 **SEC. 205. STANDARDS FOR OPERATION OF A UNIFORM**
22 **WORKING FILE.**

23 Not later than 24 months after the date of the enact-
24 ment of this title the Panel shall establish standards for
25 the development and operation of a uniform working file

1 system that is national in scope. Such standards shall en-
2 sure—

3 (1) that all participants in the health care sys-
4 tem may be linked electronically (directly or indi-
5 rectly) to the uniform working file system;

6 (2) that any privacy and confidentiality stand-
7 ards established by the Panel under section 208 are
8 satisfied;

9 (3) that the uniform working file system im-
10 proves the efficiency and effectiveness of the admin-
11 istration of the health care system, including health
12 care quality measurement;

13 (4) the interoperability of the uniform working
14 file system by—

15 (A) supporting the data and transaction
16 standards, conventions, and requirements se-
17 lected and established by the Panel; and

18 (B) making use of such standards, conven-
19 tions, and requirements; and

20 (5) the support of any other requirements se-
21 lected or established by the Panel.

22 **SEC. 206. CODE SETS FOR SYSTEM.**

23 Not later than 9 months after the date of the enact-
24 ment of this title, the Panel shall select and establish code
25 sets that are maintained by private and public entities as

1 the Panel's official code sets for use in a national uniform
2 working file system. The proposed regulations developed
3 by the Panel shall provide that any changes or updates
4 to such code sets that are established or requested by the
5 private or public entity which maintains the code set—

6 (1) shall preserve the informational value of
7 data retained either within the uniform working file
8 system or within the information systems of parties
9 making use of the data and transactions standards,
10 conventions, and requirements;

11 (2) shall include instructions on how existing
12 data containing such codes is to be converted or
13 translated so as to preserve its value;

14 (3) shall be incorporated into the official code
15 set in such a manner as to minimize the disruption
16 to the national uniform working file system and min-
17 imize the cost to all entities within the system for
18 reprogramming to accommodate such changes or up-
19 dates; and

20 (4) shall be implemented—

21 (A) only after at least 90 days advance no-
22 tice has been provided to participants in the
23 health care system; and

24 (B) no more frequently than on an annual
25 basis.

1 **SEC. 207. ESTABLISHMENT OF UNIQUE IDENTIFIERS.**

2 (a) IN GENERAL.—Not later than 9 months after the
3 date of the enactment of this title, the Panel shall develop
4 unique identifiers for each participant in the health care
5 system.

6 (b) SPECIAL RULES.—

7 (1) INDIVIDUALS.—Each individual shall have a
8 unique identifier developed by the Panel.

9 (2) HEALTH PLANS OR PROVIDERS.—In devel-
10 oping unique identifiers for each health plan or pro-
11 vider, the Panel shall take into account multiple uses
12 for such identifiers and shall consider multiple phys-
13 ical locations and specialty classifications for provid-
14 ers. The unique identifiers for health plans or pro-
15 viders may be based on the system used under title
16 XVIII of the Social Security Act on the date of the
17 enactment of this title.

18 **SEC. 208. PRIVACY AND CONFIDENTIALITY STANDARDS.**

19 (a) IN GENERAL.—Not later than 9 months after the
20 date of the enactment of this title, the Panel, after taking
21 into consideration the Insurance Information and Privacy
22 Protection Model Act of the National Association of Insur-
23 ance Commissioners, other model legislation, and inter-
24 national guidelines, shall develop requirements that pro-
25 tect the privacy of participants in the health care system

1 and ensure the confidentiality of information in the data
2 interchange system.

3 (b) PRINCIPLES CONSIDERED.—In developing the re-
4 quirements referred to in subsection (a), the Panel shall
5 take into consideration the following principles:

6 (1) Information relating to an identifiable or
7 identified individual should be collected only to the
8 extent necessary to carry out the purpose for which
9 the information is collected.

10 (2) Information relating to an identifiable or
11 identified individual collected for a particular pur-
12 pose should generally not be used for another pur-
13 pose without the individual's informed consent un-
14 less the pooling of information renders an individ-
15 ual's data unidentifiable.

16 (3) Information relating to an identifiable or
17 identified individual should be disposed of when no
18 longer necessary to carry out the purpose for which
19 it was collected, unless the pooling of information
20 renders an individual's data unidentifiable.

21 (4) Methods to ensure the verifiability, timeli-
22 ness, accuracy, reliability, utility, completeness, rel-
23 evance, and comparability of information relating to
24 an identifiable or identified individual should be
25 instituted.

1 (5) An individual should be notified in advance
2 of the collection of information relating to such indi-
3 vidual with regard to—

4 (A) whether the furnishing of information
5 is mandatory or voluntary;

6 (B) the recordkeeping practices with re-
7 spect to any information provided; and

8 (C) the uses to be made of any information
9 provided.

10 (6) If informed consent is necessary for the in-
11 tended primary or secondary use of information re-
12 lating to an identifiable or identified individual, the
13 individual should be provided the opportunity to re-
14 ject such uses at the time the information is col-
15 lected, except where such uses are necessary to com-
16 ply with law.

17 (7) An individual should be permitted to inspect
18 and correct any information which concerns such in-
19 dividual and should be able to obtain information on
20 how such information is being used.

21 **SEC. 209. TRANSFER OF INFORMATION BETWEEN HEALTH**
22 **PLANS.**

23 Not later than 9 months after the date of the enact-
24 ment of this title, the Panel shall develop rules and proce-
25 dures—

1 (1) for determining the financial liability of
2 health plans when health care benefits are payable
3 under two or more health plans; and

4 (2) concerning the transfer among health plans
5 of appropriate official data sets needed to carry out
6 the coordination of benefits, the sequential process-
7 ing of claims, and other health data as determined
8 necessary by the Panel for individuals who have
9 more than 1 health plan, according to the priorities
10 established under the rules and procedures estab-
11 lished under paragraph (1).

12 **SEC. 210. FINES AND PENALTIES FOR FAILURE TO COMPLY.**

13 (a) DEVELOPMENT BY THE PANEL.—

14 (1) COMPLIANCE WITH STANDARDS FOR PRI-
15 VACY AND CONFIDENTIALITY.—Not later than 9
16 months after the date of the enactment of this title,
17 the Panel shall develop civil fines and penalties, as
18 determined appropriate by the Panel, to enforce any
19 of the requirements developed by the Panel under
20 section 208 relating to privacy and confidentiality.
21 The civil fines and penalties developed by the Panel
22 under this paragraph shall not be less than \$1,000
23 for each violation.

24 (2) COMPLIANCE WITH OTHER REQUIRE-
25 MENTS.—

1 (A) IN GENERAL.—Not later than 9
2 months after the date of the enactment of this
3 title, the Panel shall develop civil fines and pen-
4 alties, as determined appropriate by the Panel,
5 to enforce any of the requirements developed by
6 the Panel under this title other than the re-
7 quirements related to privacy and confidential-
8 ity. The civil fines and penalties developed by
9 the Panel under this paragraph shall not exceed
10 \$100 for each violation.

11 (B) LIMITATIONS.—

12 (i) PENALTIES NOT TO APPLY WHERE
13 NONCOMPLIANCE NOT DISCOVERED EXER-
14 CISING REASONABLE DILIGENCE.—No civil
15 fine or penalty developed by the Panel
16 under this paragraph shall be imposed if it
17 is established that the person liable for the
18 fine or penalty did not know, and by exer-
19 cising reasonable diligence would not have
20 known, that such person failed to comply
21 with any of the requirements described in
22 subparagraph (A).

23 (ii) PENALTIES NOT TO APPLY TO
24 COMPLIANCE FAILURES CORRECTED WITH-
25 IN 30 DAYS.—No civil fine or penalty devel-

1 oped by the Panel under this paragraph
2 shall be imposed if—

3 (I) the failure to comply was due
4 to reasonable cause and not to willful
5 neglect, and

6 (II) the failure to comply is cor-
7 rected during the 30-day period begin-
8 ning on the 1st date the person liable
9 for the fine or penalty knew, or by ex-
10 ercising reasonable diligence would
11 have known, that the failure to com-
12 ply occurred.

13 (iii) WAIVER.—In the case of a failure
14 to comply which is due to reasonable cause
15 and not to willful neglect, any civil fine or
16 penalty developed by the Panel under this
17 paragraph may be waived to the extent
18 that the payment of such fine or penalty
19 would be excessive relative to the compli-
20 ance failure involved.

21 (b) LEGISLATIVE PROPOSAL ON CERTAIN CRIMINAL
22 FINES AND PENALTIES.—Not later than 12 months after
23 the date of the enactment of this title, the Panel shall sub-
24 mit to Congress a legislative proposal relating to any
25 criminal fines and penalties determined appropriate by the

1 Panel to enforce any of the requirements developed by the
2 Panel under section 208 relating to privacy and
3 confidentiality.

4 **SEC. 211. OVERSIGHT OF UNIFORM WORKING FILE,**
5 **HEALTH CARE INFORMATION CLEARING-**
6 **HOUSES, AND VALUE-ADDED NETWORKS.**

7 (a) PERIODIC REVIEWS.—Not later than 9 months
8 after the date of the enactment of this title, the Secretary
9 shall establish a procedure for the periodic review of busi-
10 ness practices, performance, and fees with respect to the
11 uniform working file and each health care information
12 clearinghouse and value-added network to ensure that
13 such entities are not taking unfair advantage of partici-
14 pants in the health care system through the application
15 of any regulations promulgated by OMB.

16 (b) CERTIFICATION PROCEDURE.—Not later than 12
17 months after the date of the enactment of this title, the
18 Panel shall establish a certification procedure for the uni-
19 form working file, health care information clearinghouses,
20 and value-added networks. The requirements for certifi-
21 cation shall include—

22 (1) adherence to the data and transaction
23 standards and requirements and the privacy and
24 confidentiality standards included in any regulations
25 promulgated by OMB;

1 (2) making public standardized indicators of
2 performance such as accessibility, transaction re-
3 sponsiveness, administrative efficiency, reliability,
4 dependability, and any other indicators determined
5 appropriate by the Secretary; and

6 (3) any other requirements determined appro-
7 priate by the Secretary.

8 **SEC. 212. ANNUAL REPORTS TO CONGRESS.**

9 (a) IN GENERAL.—The Panel shall annually prepare
10 and submit to Congress a report on—

11 (1) the status of the data interchange system,
12 including the system’s ability to provide data on
13 cost, quality, and patient satisfaction;

14 (2) the savings and costs of implementing the
15 data interchange system; and

16 (3) any legislative recommendations related to
17 the data interchange system.

18 (b) AVAILABILITY TO THE PUBLIC.—Any informa-
19 tion in the report submitted to Congress under subsection
20 (a) shall be made available to the public unless such infor-
21 mation may not be disclosed by law.

22 **SEC. 213. HEALTH CARE DATA PANEL.**

23 (a) ESTABLISHMENT.—There is established a panel
24 to be known as the Health Care Data Panel.

25 (b) MEMBERSHIP.—

1 (1) IN GENERAL.—The Panel shall be composed
2 of the following members:

3 (A) The Secretary.

4 (B) The Secretary of Defense.

5 (C) The Secretary of Veterans Affairs.

6 (D) A representative of the Agency for
7 Health Care Policy and Research.

8 (E) A representative of the National Insti-
9 tute of Standards and Technology.

10 (F) A representative of the National Tele-
11 communication and Information Administra-
12 tion.

13 (G) 6 additional Federal officers deter-
14 mined appropriate by the Secretary.

15 (2) CHAIR.—The Secretary shall be the Chair
16 of the Panel.

17 (c) MEETINGS.—

18 (1) IN GENERAL.—Except as provided in para-
19 graph (2), the Panel shall meet at the call of the
20 Chair.

21 (2) INITIAL AND SUBSEQUENT MEETINGS.—
22 The Panel shall hold a meeting not later than 30
23 days after the date of the enactment of this section
24 and at least annually thereafter.

1 (3) QUORUM.—A majority of the members of
2 the Panel shall constitute a quorum, but a lesser
3 number of members may hold hearings.

4 (d) POWERS OF THE PANEL.—

5 (1) HEARINGS.—The Panel may hold such
6 hearings, sit and act at such times and places, take
7 such testimony, and receive such evidence as the
8 Panel considers advisable to carry out the purposes
9 of this section.

10 (2) INFORMATION FROM FEDERAL AGENCIES.—

11 The Panel may secure directly from any Federal de-
12 partment or agency such information as the Panel
13 considers necessary to carry out the provisions of
14 this section. Upon request of the Chair of the Panel,
15 the head of such department or agency shall furnish
16 such information to the Panel.

17 (3) POSTAL SERVICES.—The Panel may use the
18 United States mails in the same manner and under
19 the same conditions as other departments and agen-
20 cies of the Federal Government.

21 (4) GIFTS.—The Panel may accept, use, and
22 dispose of gifts or donations of services or property.

23 (e) PANEL PERSONNEL MATTERS.—

24 (1) COMPENSATION OF MEMBERS.—Members of
25 the Panel shall serve without compensation in addi-

1 tion to that received for their services as officers or
2 employees of the Federal Government.

3 (2) STAFF.—

4 (A) DETAIL OF GOVERNMENT EMPLOY-
5 EES.—Upon the request of the Chair, any Fed-
6 eral Government employee may be detailed to
7 the Panel without reimbursement, and such de-
8 tail shall be without interruption or loss of civil
9 service status or privilege.

10 (B) CONTRACTS.—The Chair may enter
11 into contracts or other arrangements that may
12 be necessary for the Panel to perform its
13 duties.

14 (C) INTERNAL ORGANIZATION.—The Chair
15 may prescribe such rules as the Chair deter-
16 mines necessary with respect to the internal or-
17 ganization of the Panel.

18 **SEC. 214. NATIONAL HEALTH INFORMATICS COMMISSION.**

19 (a) APPOINTMENT.—The Panel shall provide for ap-
20 pointment of a National Health Informatics Commission
21 (referred to in this section as the “Commission”) to advise
22 the Panel on its activities.

23 (b) MEMBERSHIP.—

1 (1) IN GENERAL.—The Commission shall con-
2 sist of 15 members. The Panel shall designate 1
3 member of the Commission as the Chair.

4 (2) EXPERTISE.—Members of the Commission
5 shall be individuals who—

6 (A) represent different professions and dif-
7 ferent geographic areas, including urban and
8 rural areas;

9 (B) represent Federal or State government
10 health programs;

11 (C) represent applicable standard-setting
12 groups, including the National Uniform Billing
13 Committee, the Uniform Claim Form Task
14 Force, American National Standards Institute,
15 and the Healthcare Informatics Standards
16 Planning Panel;

17 (D) represent consumers of health care
18 services; and

19 (E) have expertise in—

20 (i) electronic data interchange of
21 health care information and computerized
22 information systems associated with the
23 operation and administration of matters
24 relating to health care;

1 (ii) the provision and financing of
2 health care;

3 (iii) conducting and interpreting
4 health economics research;

5 (iv) research and development of tech-
6 nological and scientific advances in health
7 care;

8 (v) health care eligibility, enrollment,
9 and claims administration;

10 (vi) health care financial management;

11 (vii) health care reimbursement; or

12 (viii) health care outcomes research.

13 (3) TERMS.—The Chair shall serve on the Com-
14 mission at the pleasure of the Panel. Each other
15 member of the Commission shall be appointed for a
16 term of 5 years, except with respect to the members
17 first appointed—

18 (A) 3 members shall be appointed for a
19 term of 1 year;

20 (B) 3 members shall be appointed for
21 terms of 2 years;

22 (C) 3 members shall be appointed for
23 terms of 3 years;

24 (D) 3 members shall be appointed for
25 terms of 4 years; and

1 (E) 2 members shall be appointed for
2 terms of 5 years.

3 (4) VACANCIES.—

4 (A) IN GENERAL.—A vacancy on the Com-
5 mission shall be filled in the manner in which
6 the original appointment was made and shall be
7 subject to any conditions which applied with re-
8 spect to the original appointment.

9 (B) FILLING UNEXPIRED TERM.—An indi-
10 vidual chosen to fill a vacancy shall be ap-
11 pointed for the unexpired term of the member
12 replaced.

13 (C) EXPIRATION OF TERMS.—The term of
14 any member shall not expire before the date on
15 which the member's successor takes office.

16 (c) MEETINGS.—

17 (1) IN GENERAL.—Except as provided in para-
18 graph (2), the Commission shall meet at the call of
19 the Chair.

20 (2) INITIAL MEETING.—No later than 30 days
21 after the date on which all members of the Commis-
22 sion have been appointed, the Commission shall hold
23 its first meeting.

1 (3) QUORUM.—A majority of the members of
2 the Commission shall constitute a quorum, but a
3 lesser number of members may hold hearings.

4 (d) DUTIES.—

5 (1) IN GENERAL.—Not later than 60 days prior
6 to any date on which the Panel is required to select,
7 establish, or develop any requirements relating to
8 the data interchange system, the Commission shall
9 make recommendations to the Panel with respect to
10 the issues relating to such requirements.

11 (2) ADDITIONAL STUDIES AND PROJECTS.—As
12 directed by the Panel, the Commission shall under-
13 take such studies and projects as the Panel may
14 deem necessary.

15 (e) POWERS OF THE COMMISSION.—

16 (1) HEARINGS.—The Commission may hold
17 such hearings, sit and act at such times and places,
18 take such testimony, and receive such evidence as
19 the Commission considers advisable to carry out the
20 purposes of this section.

21 (2) INFORMATION FROM FEDERAL AGENCIES.—
22 The Commission may secure directly from any Fed-
23 eral department or agency such information as the
24 Commission considers necessary to carry out the
25 provisions of this section. Upon request of the Chair,

1 the head of such department or agency shall furnish
2 such information to the Commission.

3 (3) POSTAL SERVICES.—The Commission may
4 use the United States mails in the same manner and
5 under the same conditions as other departments and
6 agencies of the Federal Government.

7 (4) GIFTS.—The Commission may accept, use,
8 and dispose of gifts or donations of services or prop-
9 erty.

10 (f) COMMISSION PERSONNEL MATTERS.—

11 (1) COMPENSATION OF MEMBERS.—Each mem-
12 ber of the Commission who is not an officer or em-
13 ployee of the Federal Government shall be com-
14 pensated at a rate equal to the daily equivalent of
15 the annual rate of basic pay prescribed for level IV
16 of the Executive Schedule under section 5315 of title
17 5, United States Code, for each day (including travel
18 time) during which such member is engaged in the
19 performance of the duties of the Commission. All
20 members of the Commission who are officers or em-
21 ployees of the United States shall serve without com-
22 pensation in addition to that received for their serv-
23 ices as officers or employees of the United States.

24 (2) TRAVEL EXPENSES.—The members of the
25 Commission shall be allowed travel expenses, includ-

1 ing per diem in lieu of subsistence, at rates author-
2 ized for employees of agencies under subchapter I of
3 chapter 57 of title 5, United States Code, while
4 away from their homes or regular places of business
5 in the performance of services for the Commission.

6 (3) STAFF.—

7 (A) IN GENERAL.—The Chair may, with-
8 out regard to civil service laws and regulations,
9 appoint and terminate such personnel as may
10 be necessary to enable the Commission to per-
11 form its duties.

12 (B) COMPENSATION.—The Chair may fix
13 the compensation of personnel without regard
14 to the provisions of chapter 51 and subchapter
15 III of chapter 53 of title 5, United States Code,
16 relating to classification of positions and Gen-
17 eral Schedule pay rates, except that the rate of
18 pay for the personnel may not exceed the rate
19 payable for level V of the Executive Schedule
20 under section 5316 of such title.

21 (C) DETAIL OF GOVERNMENT EMPLOY-
22 EES.—Any Federal Government employee may
23 be detailed to the Commission without reim-
24 bursement, and such detail shall be without

1 interruption or loss of civil service status or
2 privilege.

3 (D) PROCUREMENT OF TEMPORARY AND
4 INTERMITTENT SERVICES.—The Chair may
5 procure temporary and intermittent services
6 under section 3109(b) of title 5, United States
7 Code, at rates for individuals which do not ex-
8 ceed the daily equivalent of the annual rate of
9 basic pay prescribed for level V of the Executive
10 Schedule under section 5316 of such title.

11 (E) CONTRACTS.—The Chair may enter
12 into contracts or other arrangements that may
13 be necessary for the Commission to perform its
14 duties.

15 (F) INTERNAL ORGANIZATION.—The Chair
16 may prescribe such rules as the Chair deter-
17 mines necessary with respect to the internal or-
18 ganization of the Commission. The Commission
19 shall create such committees (composed of
20 Commission members and others as appointed
21 by the Chair) as necessary to enable the Com-
22 mission to meet its responsibilities and func-
23 tions.

24 (g) REPORTS.—The Commission shall submit to the
25 Panel such reports as may be requested by the Panel on

1 each study or project conducted by the Commission. Such
2 reports shall contain such information as requested by the
3 Panel.

4 (h) TERMINATION OF COMMISSION.—The Commis-
5 sion shall terminate 20 years after the date of the enact-
6 ment of this title.

7 (i) AUTHORIZATION OF APPROPRIATIONS.—

8 (1) IN GENERAL.—There are authorized to be
9 appropriated such sums as may be necessary to
10 carry out the purposes of this section.

11 (2) AVAILABILITY.—Any sums appropriated
12 under the authorization contained in this subsection
13 shall remain available, without fiscal year limitation,
14 until expended.

15 **SEC. 215. DEFINITIONS.**

16 For purposes of this title:

17 (1) ADMINISTRATOR.—The term “adminis-
18 trator” has the meaning given that term in section
19 3(16)(A) of the Employee Retirement Income Secu-
20 rity Act of 1974.

21 (2) CODE SETS.—The term “code sets” means
22 any codes used for supplying specific data in a uni-
23 form data set, including tables of terms, medical di-
24 agnostic codes, medical procedure codes, identifica-
25 tion numbers, and any code sets of the National

1 Uniform Billing Committee, the Health Care Fi-
2 nancing Administration, or ANSI.

3 (3) EMPLOYEE WELFARE BENEFIT PLAN.—The
4 term “employee welfare benefit plan” has the mean-
5 ing given that term in section 3(1) of the Employee
6 Retirement Income Security Act of 1974.

7 (4) HEALTH CARE INFORMATION CLEARING-
8 HOUSE.—The term “health care information clear-
9 inghouse” means a public or private entity that—

10 (A) processes data that cannot be sent di-
11 rectly due to lack of proper formatting or edit-
12 ing; and

13 (B) facilitates the translation of data to
14 the standardized data set and code sets between
15 persons who normally would send or receive the
16 transaction;

17 but does not store information processed beyond the
18 time required to complete its task and communicate
19 the information.

20 (5) HEALTH CARE VALUE-ADDED NETWORK.—
21 The term “health care value-added network” means
22 any entity that provides additional services beyond
23 the transmission of data or value, such as the stor-
24 age of electronic data or value and the transfer of
25 such data or value between health care entities.

1 (6) HEALTH PLAN.—the term “health plan”
2 means an insured health plan and a self-insured
3 health plan.

4 (7) INSURED HEALTH PLAN.—

5 (A) IN GENERAL.—Except as provided in
6 subparagraph (B), the term “insured health
7 plan” means any hospital or medical service
8 policy or certificate, hospital or medical service
9 plan contract, or health maintenance organiza-
10 tion group contract offered by an insurer.

11 (B) EXCEPTION.—Such term does not in-
12 clude any of the following—

13 (i) coverage only for accident, dental,
14 vision, disability income, or long-term care
15 insurance, or any combination thereof,

16 (ii) medicare supplemental health in-
17 surance,

18 (iii) coverage issued as a supplement
19 to liability insurance,

20 (iv) worker’s compensation or similar
21 insurance,

22 (v) automobile medical-payment insur-
23 ance,

24 (vi) coverage for a specified disease or
25 illness, or

1 (vii) a hospital or fixed indemnity pol-
2 icy (unless the Secretary determines that
3 such a policy provides sufficiently com-
4 prehensive coverage of a benefit so that it
5 should be treated as an insured health
6 plan),

7 or any combination thereof.

8 (8) INSURER.—The term “insurer” means any
9 entity that offers a health plan under which such en-
10 tity is at risk for all or part of the cost of benefits
11 under the plan, and includes any agent of such
12 entity.

13 (9) PARTICIPANT IN THE HEALTH CARE SYS-
14 TEM.—The term “participant in the health care sys-
15 tem” means any Federal health care program, State,
16 employee welfare benefit plan, health plan, adminis-
17 trator, insurer, or provider.

18 (10) PROVIDER.—The term “provider” means a
19 physician, hospital, pharmacy, laboratory, or other
20 person licensed or otherwise authorized under appli-
21 cable State laws to furnish health care items or serv-
22 ices.

23 (11) SELF-INSURED HEALTH PLAN.—The term
24 “self-insured health plan”—

1 (A) means an employee welfare benefit
2 plan or other arrangement insofar as the plan
3 or arrangement provides health benefits and
4 that is funded in a manner other than through
5 the purchase of 1 or more insured health plans,
6 but

7 (B) does not include any coverage or insur-
8 ance described in paragraph (7)(B).

9 (12) STATE.—The term “State” means each of
10 the several States, the District of Columbia, the
11 Commonwealth of Puerto Rico, the United States
12 Virgin Islands, Guam, American Samoa, and the
13 Commonwealth of the Northern Mariana Islands.

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