

[DISCUSSION DRAFT]

1 **SEC. ____ . REFORM OF SUSTAINABLE GROWTH RATE (SGR)**
2 **AND MEDICARE PAYMENT FOR PHYSICIANS’**
3 **SERVICES.**

4 (a) **STABILIZING FEE UPDATES (PHASE I).**—

5 (1) **REPEAL OF SGR PAYMENT METHOD-**
6 **LOGY.**—Section 1848 of the Social Security Act
7 (42 U.S.C. 1395w–4) is amended—

8 (A) in subsection (d)—

9 (i) in paragraph (1)(A), by inserting
10 “or a subsequent paragraph or section
11 1848A” after “paragraph (4)”; and

12 (ii) in paragraph (4)—

13 (I) in the heading, by striking
14 “YEARS BEGINNING WITH 2001” and
15 inserting “2001, 2002, AND 2003”; and

16 (II) in subparagraph (A), by
17 striking “a year beginning with 2001”
18 and inserting “2001, 2002, and
19 2003”; and

20 (B) in subsection (f)—

1 (i) in paragraph (1)(B), by inserting
2 “through 2013” after “of such succeeding
3 year”; and

4 (ii) in paragraph (2), by inserting
5 “and ending with 2013” after “beginning
6 with 2000”.

7 (2) UPDATE OF RATES FOR **【PERIOD OF STA-**
8 **BILITY】**.—Subsection (d) of section 1848 of the So-
9 cial Security Act (42 U.S.C. 1395w-4) is amended
10 by adding at the end the following new paragraph:

11 “(15) UPDATE FOR **【PERIOD OF STABILITY】**.—
12 The update to the single conversion factor estab-
13 lished in paragraph (1)(C) for **【the period of sta-**
14 **bility (as defined in _____)】** shall be **【_____】**.”.

15 (b) UPDATE INCENTIVE PROGRAM (PHASE II).—

16 (1) IN GENERAL.—Section 1848 of such Act
17 (42 U.S.C. 1395w-4), as amended by subsection (a),
18 is further amended in subsection (d), by adding at
19 the end the following new paragraph:

20 “(16) CONVERSION FACTOR BEGINNING WITH
21 **【FIRST YEAR AFTER PERIOD OF STABILITY】**.—The
22 single conversion factor established in paragraph
23 (1)(C) for each year beginning with **【the first year**
24 **after the period of stability】** shall be **【determined in**
25 **accordance with section 1848A(e)】**.”.

1 (2) ESTABLISHMENT OF PROGRAM.—Part B of
2 title XVIII of the Social Security Act (42 U.S.C.
3 1395w–4 et seq.) is amended by adding at the end
4 the following new section:

5 **“SEC. 1848A. FEE SCHEDULE PROVIDER COMPETENCY UP-**
6 **DATE INCENTIVE PROGRAM.**

7 “(a) ESTABLISHMENT.—

8 “(1) IN GENERAL.—The Secretary shall estab-
9 lish a fee schedule provider competency update in-
10 centive program (in this section referred to as the
11 ‘update incentive program’) under which—

12 “(A) the Secretary shall, in accordance
13 with subsection (b), approve and publish a final
14 quality measure set for each peer cohort identi-
15 fied under paragraph (1) of such subsection;

16 “(B) each fee schedule provider—

17 “(i) self-identifies, in accordance with
18 subsection (b)(1), within such a peer co-
19 hort; and

20 “(ii) provides information on each
21 quality measure within such a final quality
22 measure set applicable to such peer cohort
23 with respect to which such provider shall
24 be assessed for purposes of determining for
25 **【**years beginning with the first year after

1 the period of stability】 the 【quality-based
2 update adjustment under subsection (e)】
3 applicable to such provider;

4 “(C) the Secretary shall develop and apply,
5 in accordance with subsection (d), appro-
6 priate—

7 【“(i) methodologies for assessing the
8 performance of fee schedule providers with
9 respect to such measures included within
10 the measure sets applicable to the peer co-
11 horts of such providers; and】

12 “(ii) methods for collecting informa-
13 tion needed for such assessments (which
14 shall involve the minimum amount of ad-
15 ministrative burden needed to ensure reli-
16 able results); and

17 “(D) based on such assessments, the Sec-
18 retary shall determine the applicable 【quality-
19 based update adjustments under subsection
20 (e)】.

21 “(2) FEE SCHEDULE PROVIDER DEFINED.—In
22 this section, the term ‘fee schedule provider’ means
23 a 【physician, practitioner, or other】 supplier that
24 furnishes items and services that are paid under the
25 fee schedule established under section 1848.

1 “(3) CONSULTATION WITH MEDICAL SPECIALTY
2 ORGANIZATIONS AND OTHER RELEVANT STAKE-
3 HOLDERS.—The Secretary shall consult with medical
4 specialty organizations and other relevant stake-
5 holders, including State medical societies, in car-
6 rying out this section.

7 “(4) MODIFICATION FOR NON-PHYSICIAN FEE
8 SCHEDULE PROVIDERS WHO ARE AUTHORIZED TO
9 BILL MEDICARE DIRECTLY FOR REIMBURSEMENT.—
10 Not later than **[_____]**, the Secretary shall deter-
11 mine how to apply the update incentive program to
12 fee schedule providers who are not physicians de-
13 scribed in section 1861(r)(1). **[*Duplicative with***
14 ***paragraph (3)?*]** In making such determination, the
15 Secretary shall consult with relevant stakeholders.]
16 In applying this paragraph, the Secretary shall at a
17 minimum determine if there are applicable quality
18 measures **[selected]** under subsection (b) that can
19 be utilized for determining applicable update adjust-
20 ments to the fee schedule under **[subsection (e)]** for
21 such fee schedule providers. If adequate measures
22 are not available, the Secretary shall apply a similar
23 **[performance]/[competency]**-based program to de-
24 termine the **[quality-based update adjustment under**
25 **subsection (e)]** for such fee schedule providers.

1 **[(5) ELECTION FOR APPLICATION AT GROUP**
2 **PRACTICE OR INDIVIDUAL PHYSICIAN LEVEL.—***[Pol-*
3 *icy question if wish to specifically provide for an elec-*
4 *tion opportunity, or remain silent (in which case the*
5 *Secretary may decide to apply assessments at a group*
6 *level, but the element specifically allowing the pro-*
7 *viders and groups to make an election would not be*
8 *implied):]* **For purposes of this section, in the case**
9 **of a fee schedule provider who participates in a**
10 **[group practice] [Definition? As defined by the Sec-**
11 *retary, following the section 1848(o) or 1848(m)*
12 *model? As such term is defined in section*
13 *1877(h)(4)?]*, a fee schedule provider may elect, in
14 a form and manner specified by the Secretary, to
15 apply at either the group practice level or individual
16 provider level the **[applicable final quality measure**
17 **set]** approved under subsection (b), performance on
18 quality, composite scores, and the update adjust-
19 ments under this section. Such election made by a
20 fee schedule provider shall apply with respect to all
21 measures within such set, performance scores, and
22 update adjustments for such provider. The feedback
23 and performance data required to be provided by the
24 Secretary under subsections (b)(5) and (g) shall be
25 provided to a fee schedule provider regardless of the

1 election made by the provider under this paragraph.
2 **[Review: How would this apply in the case of a pro-**
3 **vider participating in multiple practices? Would the**
4 **election be on an individual provider level or would**
5 **all providers within a group have to collectively make**
6 **this election? If the assessment is based on the group**
7 **level, how is feedback to be provided for the indi-**
8 **vidual?]]**

9 “(b) QUALITY MEASURES FOR COMPETENCY AS-
10 SESSMENTS.—

11 “(1) ESTABLISHMENT OF LIST OF PEER CO-
12 HORTS.—**[Not later than _____,]** the Secretary shall
13 identify (**[and publish?]** a list **[Is this list to be up-**
14 **dated?]**) of peer cohorts (each in this section re-
15 ferred to as a ‘peer cohort’) with respect to which
16 fee schedule providers will self-identify **[through a**
17 **process and at such time as specified by the Sec-**
18 **retary Review: How is the self identification to be**
19 **‘approved by the Secretary’?]** for purposes of this
20 section and with respect to a performance period de-
21 scribed in subsection (d)(3) for a year beginning
22 with **[the first year after the period of stability]**.
23 Such list shall include as a peer cohort the **[each**
24 **provider specialty [in which the American Board of**
25 **Medical Specialties offers certification]/[defined by**

1 the American Board of Medical Specialties as of
2 _____**】** and any other cohort established by the Sec-
3 retary to capture classifications of providers across
4 such provider specialties.

5 “(2) ESTABLISHMENT OF CORE COMPETENCY
6 CATEGORIES AND IDENTIFICATION OF AREAS OF
7 NEED FOR QUALITY MEASURES.—The Secretary
8 shall convene multi-stakeholder groups to—

9 “(A) establish core competency categories
10 **【for all peer cohorts】**, which shall identify
11 areas that are to be assessed by the quality
12 measures selected under this subsection for in-
13 clusion in final quality measure sets by which
14 fee schedule providers **【in such cohorts】** are to
15 be assessed under subsection (d); and

16 “(B) identify areas and peer cohorts for
17 which there are insufficient quality measures to
18 address the categories established under sub-
19 paragraph (A).

20 “(3) QUALITY MEASURES DEVELOPMENT.—The
21 Secretary shall establish a process for the develop-
22 ment of quality measures under this paragraph for
23 purposes of potential inclusion of such measures **【in**
24 **measure sets under paragraph (4)】**. Under such
25 process, the Secretary shall—

1 “(A) provide for the coordination of devel-
2 opment of such measures across fee schedule
3 providers and other relevant stakeholders;

4 “(B) request from **【**medical specialty orga-
5 nizations and other relevant stakeholders**】**/
6 **【**consensus-based entities**】** **【**representing the
7 peer cohorts**】** best practices and clinical prac-
8 tice guidelines for the development of quality
9 measures **【**within the core competency cat-
10 egories established under paragraph (2)?**】** for
11 potential inclusion of such measures in final
12 quality measure sets under paragraph (4)(F);

13 “(C) ensure the core competency categories
14 and peer cohorts are addressed; and

15 “(D) ensure that all quality measures de-
16 veloped under this paragraph are developed
17 with consideration of best clinical practices.

18 “(4) **【**QUALITY MEASURES SELECTION**】**/**【**SE-
19 LECTION AND APPROVAL OF QUALITY MEASURE
20 SETS**】**.—

21 “(A) IN GENERAL.—The Secretary shall,
22 in accordance with this paragraph, provide for
23 a quality measures process to approve final
24 quality measure sets for peer cohorts. Each
25 such final measure set shall be composed of the

1 quality measures with respect to which fee
2 schedule providers within such peer cohort shall
3 be assessed under subsection (d). Under such
4 process the Secretary shall establish, and prior
5 to making the request under subparagraph (C)
6 make publicly available, criteria for selecting
7 such measures **【for potential inclusion in such**
8 **final quality measure sets】**.

9 “(B) SOURCES OF MEASURES.—A quality
10 measure selected **【for inclusion in a 【provi-**
11 **sional】 core quality measure set】** under the
12 process under this paragraph may be—

13 “(i) an **【existing】 【What if a measure**
14 **is endorsed in the future?】** quality measure
15 that has been endorsed by **【a consensus-**
16 **based entity】**;

17 “(ii) a quality measure developed
18 under paragraph (3); or

19 “(iii) a quality measure that is devel-
20 oped by a **【medical specialty organization**
21 **or other relevant stakeholder】 【and sub-**
22 **mitted under subparagraph (C)?】**.

23 “(C) SOLICITATION OF PUBLIC QUALITY
24 MEASURE INPUT.—Not later than **【____】**, the
25 Secretary shall request **【medical specialty orga-**

1 nizations and other】 relevant stakeholders to
2 identify and submit to the Secretary quality
3 measures for selection under this paragraph.

4 “(D) PROVISIONAL CORE MEASURE
5 SETS.—

6 “(i) IN GENERAL.—Under the process
7 established under subparagraph (A), 【not
8 later than _____,】 the Secretary shall select
9 quality measures described in subpara-
10 graph (B) 【applicable to a peer cohort】 to
11 be included in a provisional core measure
12 set 【for such cohort】. Any 【applicable】
13 quality measure developed under the proc-
14 ess established under paragraph (3) may
15 be included in a provisional core measure
16 set.

17 “(ii) TRANSPARENCY.—【*Any deadline*
18 *for public availability?*】 The Secretary
19 shall make publicly available, including by
20 publishing in specialty-appropriate peer-re-
21 viewed journals, 【each applicable】 provi-
22 sional core measure set under clause (i)
23 and the method for developing 【and select-
24 ing】 measures included within such set.
25 【*Specs: ‘Create exception that in event soci-*

1 *ety declines, Secretary can still go forward*
2 *in process.’ What does that exception mean?*
3 *Is this in the case a specialty society does*
4 *not want to publish the core set?】*

5 “(E) PUBLIC COMMENT.—Under the proc-
6 ess established under subparagraph (A), before
7 a provisional core measure set under subpara-
8 graph (D) may be approved as a final quality
9 measure set under subparagraph (F) the Sec-
10 retary shall provide for a reasonable public
11 comment period on the provisional core measure
12 set.

13 “(F) FINAL MEASURE SETS.—At least
14 【____】 days before the first day of a perform-
15 ance period described in subsection (d)(3) 【and
16 taking into account public comment received
17 pursuant to subparagraph (E)】, the Secretary
18 shall approve and publish a final quality meas-
19 ure set for each peer cohort.

20 “(5) FEEDBACK.—

21 “(A) INITIAL FEEDBACK PERIOD.—Each
22 fee schedule provider self-identified with respect
23 to a peer cohort shall, before any assessment of
24 the fee schedule provider under subsection (d)
25 for determining the applicable update adjust-

1 ment under subsection (e) for such provider
2 and the year involved, have a **【_____】** period
3 during which the provider shall report on the
4 applicable quality measures and receive feed-
5 back on the performance of such provider with
6 respect to such measures.

7 “(B) FEEDBACK.—The Secretary shall
8 provide each fee schedule provider with feed-
9 back on the performance of such provider with
10 respect to quality measures within the final
11 measure set approved under paragraph (4)(F)
12 for the applicable performance period and the
13 peer cohort of such provider.

14 “(c) GENERAL PROVISIONS APPLICABLE TO ADOP-
15 TION OF ALL MEASURES.—

16 “(1) RANGE OF MEASURES.—In carrying out
17 subsection (b), the Secretary shall, to the greatest
18 extent practicable and for each peer cohort, **【select】**
19 a sufficient number of quality measures for potential
20 inclusion of such measures **【in measure sets under**
21 **paragraph (4)】**.

22 “(2) ANNUAL REVIEW AND UPDATES.—

23 “(A) IN GENERAL.—The Secretary shall
24 review—

1 “(i) the quality measures selected
2 under subsection (b)(4) for inclusion in
3 final quality measure sets under subpara-
4 graph (F) of such subsection for each year
5 such measures are to be applied under sub-
6 section (e) to ensure that such measures
7 continue to meet the conditions applicable
8 to such measures for such selection; and

9 “(ii) the final quality measures sets
10 approved under subsection (b)(4)(F) for
11 each year such set is to be applied to peer
12 cohorts of fee schedule providers to ensure
13 that each applicable set continues to meet
14 the conditions applicable to such sets for
15 such approval.

16 “(B) INPUT FROM STAKEHOLDERS.—For
17 purposes of conducting the review under sub-
18 paragraph (A), the Secretary shall request med-
19 ical specialty organizations and other relevant
20 stakeholders to, as needed, identify and submit
21 to the Secretary updates to quality measures
22 selected under subsection (b)(4) as well as any
23 additional quality measures. The Secretary shall
24 [] review submissions under this subpara-
25 graph.

1 “(C) UPDATES.—Based on the review con-
2 ducted under **【this paragraph】** for a year, the
3 Secretary shall as needed—

4 “(i) select additional, and updates to,
5 quality measures under subsection (b) for
6 potential inclusion in **【final quality meas-
7 ure sets under paragraph (4)(F) of such
8 subsection】** in the same manner as the
9 Secretary selects such quality measures
10 under such subsection; and

11 “(ii) modify final quality measure sets
12 approved under subsection (b)(4)(F) **【in
13 the same manner as the Secretary ap-
14 proves such sets under such subsection】**.

15 In the case of a modification under clause (ii)
16 that removes a quality measure from a final
17 quality measure set, such modification shall not
18 apply under this subsection unless notification
19 of such modification is made available to all ap-
20 plicable fee schedule providers.

21 “(3) COORDINATION WITH EXISTING PRO-
22 GRAMS.—The Secretary shall, as appropriate, coordi-
23 nate **【the selection of】** quality measures under sub-
24 section (b) with existing measures and requirements,
25 such as the development of the Physician Compare

1 Website under section 1848(m)(5)(G). To the extent
2 feasible, such measures should align with measures
3 used under similar incentive programs of other pay-
4 ers and with measures in use under other provisions
5 of section 1848. The Secretary shall explore options
6 for combining performance data from incentive pro-
7 grams with similar commercial payer data to develop
8 a more comprehensive picture of fee schedule pro-
9 vider performance that can be shared with con-
10 sumers and providers to improve performance.

11 **【“(4) ADOPTION OF ADDITIONAL MEASURES.—**
12 **【*Is this needed? If so, why?*】 The Secretary shall—**
13 **】**

14 **【“(A) determine whether or not to select**
15 **additional or updates to quality measures under**
16 **【paragraph (2)(C)(i)】; and】**

17 **【“(B) make determinations as to the need**
18 **to approve modifications under paragraph**
19 **(2)(C)(ii).】**

20 **“(d) ASSESSING PERFORMANCE WITH RESPECT TO**
21 **FINAL QUALITY MEASURE SETS FOR APPLICABLE PEER**
22 **COHORTS.—**

23 **“(1) ESTABLISHMENT OF METHODS FOR AS-**
24 **SESSMENT.—**

1 “(A) IN GENERAL.—The Secretary shall
2 establish one or more methods, applicable to
3 each year beginning with **the first year after**
4 **the period of stability**], to assess the perform-
5 ance of a fee schedule provider with respect to
6 each quality measure included within the **final**
7 **quality measure set approved under subsection**
8 **(b)(4)(F)** applicable for the performance period
9 established under paragraph (3) for such year
10 to the peer cohort in which the provider self-
11 identified under subsection **(b)(1)**] for such
12 performance period and compute a composite
13 quality score for such provider for such per-
14 formance period. Such methods shall include
15 methods for collecting fee schedule provider in-
16 formation in order to make such assessments.

17 “(B) METHODS.—Such methods shall,
18 with respect to a fee schedule provider—

19 “(i) **Review:** provide that the per-
20 formance of such provider shall be assessed
21 for a performance period established under
22 paragraph (3) with respect to the **quality**
23 **measures within the final quality measure**
24 **set for such period for the peer cohort of**

1 such provider and on which information is
2 collected from such provider】; and

3 “(ii) allow for the collection and utili-
4 zation of data from registries or electronic
5 health records.

6 “(C) WEIGHTING OF MEASURES.—Such a
7 method may provide for the assignment of dif-
8 ferent scoring weights based on type or cat-
9 egory of quality measure.

10 “(D) INTEGRATION OF PHYSICIAN QUAL-
11 ITY PROGRAMS.—In establishing such methods,
12 the Secretary shall, as appropriate, incorporate
13 comparable physician quality incentive pro-
14 grams, such as under subsections (k), (n), and
15 (p) of section 1848.

16 【“(2) USE OF SPECIALTY REGISTRIES.—For
17 purposes of this subsection, the Secretary 【may】/
18 【shall】 use data from qualified clinical data reg-
19 istries that meet the requirements established under
20 section 1848(m)(3)(E).】

21 “(3) PERFORMANCE PERIOD.—Not later than
22 【____】], the Secretary shall establish a period, with
23 respect to a year, to assess under this subsection
24 performance of fee schedule providers with respect
25 to quality measures.

1 “(e) UPDATE ADJUSTMENT TAKING INTO ACCOUNT
2 ASSESSMENTS WITH RESPECT TO QUALITY MEAS-
3 URES.—[]

4 “(f) TRANSITION FOR NEW FEE SCHEDULE PRO-
5 VIDERS.—

6 “(1) IN GENERAL.—In the case of a new fee
7 schedule provider [there shall be ____].

8 “(2) NEW FEE SCHEDULE PROVIDER DE-
9 FINED.—For purposes of this subsection, the term
10 ‘new fee schedule provider’ means a physician, prac-
11 titioner, or other supplier that first becomes a fee
12 schedule provider (and had not previously submitted
13 claims under this title as a person, as an entity, or
14 as part of a physician group or under a different
15 billing number or tax identifier).

16 “(g) FEEDBACK; EDUCATION; RECONSIDERATION.—
17 [Review relationship with feedback provision under sub-
18 section (b)(5).] The Secretary shall give fee schedule pro-
19 viders feedback to assess their progress.

20 “(h) OPT OUT FOR PROVIDERS PAID UNDER ALTER-
21 NATIVE PAYMENT MODELS.—

22 “(1) IN GENERAL.—Payment for services that
23 are provided by a fee schedule provider under an ap-
24 proved Alternative Payment Model shall be made in
25 accordance with the payment arrangement under

1 such model [instead of in accordance with the up-
2 date incentive program]. [Beginning with
3 [20____], the Secretary shall identify [and publish
4 in the Federal Register?] such models applicable
5 under this subsection for such year.]

6 “(2) APPROVED ALTERNATIVE PAYMENT
7 MODEL; ALTERNATIVE PAYMENT MODEL.—For pur-
8 poses of this subsection:

9 “(A) APPROVED ALTERNATIVE PAYMENT
10 MODEL.—The term ‘approved Alternative Pay-
11 ment Model’ means an Alternative Payment
12 Model that is developed by the Secretary under
13 paragraph (3) or proposed by an entity and ap-
14 proved by the Secretary under paragraph (4).

15 “(B) ALTERNATIVE PAYMENT MODEL.—
16 The term ‘Alternative Payment Model’ or
17 ‘APM’ means a mechanism by which payment
18 under this title is made to a [fee schedule pro-
19 vider?] for most or all of the items and services
20 furnished by such provider. Such a mechanism
21 shall have appropriate protections to assure
22 that changes in care associated with the appli-
23 cation of the APM will not reduce the quality
24 or access to care for individuals enrolled under

1 this part. Such a mechanism may include, but
2 not be limited to, any of the following:

3 “(i) Accountable Care Organizations.

4 “(ii) Medical Homes.

5 “(iii) Bundled payments.

6 “(3) DEVELOPMENT BY SECRETARY OF ALTER-
7 NATIVE PAYMENT MODELS.—The Secretary shall de-
8 velop **【and annually review and update?】** Alternative
9 Payment Models to be applied under this subsection.

10 “(4) APPROVAL OF PROPOSED ALTERNATIVE
11 PAYMENT MODELS.—The Secretary shall develop a
12 process by which physicians, medical societies, health
13 care provider organizations, and other entities may
14 propose Alternative Payment Models for consider-
15 ation **【for approval by the Secretary to apply under
16 this subsection?】**.”.

17 (c) REPORTS ON MODIFIED PFS SYSTEM AND PAY-
18 MENT SYSTEM ALTERNATIVES.—

19 (1) BIENNIAL PROGRESS REPORTS BY SEC-
20 RETARY.—Not later than **【_____】**, and every 6
21 months thereafter, the Secretary of Health and
22 Human Services shall submit to Congress and post
23 on the public Internet website of the Centers for
24 Medicare & Medicaid Services a biannual progress
25 report on the implementation of the update incentive

1 program under section 1848A of the Social Security
2 Act, as added by subsection (b)(2). Each such report
3 shall include an evaluation of such update incentive
4 program and recommendations with respect to such
5 program and appropriate update mechanisms.

6 (2) GAO AND MEDPAC REPORTS.—

7 (A) GAO REPORT ON INITIAL STAGES OF
8 PROGRAM.—Not later than [____], the Comp-
9 troller General of the United States shall sub-
10 mit to Congress a report analyzing the extent
11 to which such update incentive program under
12 section 1848A of the Social Security Act, as
13 added by subsection (b)(2), as of such date, is
14 successfully satisfying [performance objec-
15 tives], including with respect to—

16 (i) the process for developing and se-
17 lecting quality measures and approving
18 quality measure sets [, including updates
19 and modifications,] under subsection[s]
20 (b) [and (c)] of such section 1848A;

21 (ii) the process for assessing perform-
22 ance against such measures and sets under
23 subsection (d) of such section; and

24 (iii) the adequacy of the measures and
25 sets so selected and approved.

1 (B) EVALUATION BY GAO AND MEDPAC ON
2 IMPLEMENTATION OF PHASE II.—The Comp-
3 troller General and the Medicare Payment Advi-
4 sory Commission shall each evaluate the initial
5 phase of the update incentive program under
6 such section 1848A and shall submit to Con-
7 gress, not later than [____], a report with rec-
8 ommendations for improving such update incen-
9 tive program.

10 (3) SECRETARIAL REPORT ON PAYMENT SYS-
11 TEM ALTERNATIVES.—

12 (A) IN GENERAL.—Not later than [____],
13 the Secretary of Health and Human Services
14 shall submit to Congress a report that analyzes
15 multiple options for alternative payment models
16 [under]/[to]/[in lieu of] section 1848 of the
17 Social Security Act (42 U.S.C. 1395w-4). In
18 analyzing such models, the Secretary shall ex-
19 amine at least the following models:

20 (i) Accountable care organization pay-
21 ment models.

22 (ii) Primary care medical home pay-
23 ment models.

24 (iii) Bundled or episodic payments for
25 certain conditions and services.

1 (iv) Gainsharing arrangements.

2 (B) ITEMS TO BE INCLUDED.—Such report
3 shall include information on how each rec-
4 ommended new payment model will achieve
5 maximum flexibility to reward high quality, effi-
6 cient care.

7 (4) TRACKING EXPENDITURE GROWTH AND AC-
8 CESS.—Beginning in [____], the Secretary shall
9 track expenditure growth and beneficiary access to
10 physicians' services under section 1848 of the Social
11 Security Act (42 U.S.C. 1395w-4) and shall post on
12 the public Internet website of the Centers for Medi-
13 care & Medicaid Services annual reports on such
14 topics.