

**REPORTING HOSPITAL QUALITY DATA
FOR ANNUAL PAYMENT UPDATE
(RHQDAPU)**

Text of Section 501(b) of the Medicare Prescription Drug, Improvement and Modernization Act (MMA) 2003 (Public Law No: 108-173)

SEC. 501. REVISION OF ACUTE CARE HOSPITAL PAYMENT UPDATES.

a) In General.--Section 1886(b)(3)(B)(i) (42 U.S.C.

1395ww(b)(3)(B)(i)) is amended--

(1) by striking ``and" at the end of subclause (XVIII);

(2) by striking subclause (XIX); and

(3) by inserting after subclause (XVIII) the following new subclauses:

“(XIX) for each of fiscal years 2004 through 2007, subject to clause (vii), the market basket percentage increase for hospitals in all areas; and

“(XX) for fiscal year 2008 and each subsequent fiscal year, the market basket percentage increase for hospitals in all areas.”.

(b) Submission of Hospital Quality Data.--Section 1886(b)(3)(B) (42

U.S.C. 1395ww(b)(3)(B)) is amended by adding at the end the following new clause:

“(vii)(I) For purposes of clause (i)(XIX) for each of fiscal years 2005 through 2007, in a case of a subsection (d) hospital that does not submit data to the Secretary in accordance with subclause (II) with respect to such a fiscal year, the applicable percentage increase under such clause for such fiscal year shall be reduced by 0.4 percentage points. Such reduction shall apply only with respect to the fiscal year involved, and the Secretary shall not take into account such reduction in computing the applicable percentage increase under clause (i)(XIX) for a subsequent fiscal year.

“(II) Each subsection (d) hospital shall submit to the Secretary quality data (for a set of 10 indicators established by the Secretary as of November 1, 2003) that relate to the quality of care furnished by the hospital in inpatient settings in a form and manner, and at a time, specified by the Secretary for purposes of this clause, but with respect to fiscal year 2005, the Secretary shall provide for a 30-day grace period for the submission of data by a hospital.”.