

117TH CONGRESS
2D SESSION

H. R. 8624

To amend title XI of the Social Security Act to provide for additional requirements for disclosing entities relating to the quality of care furnished at skilled nursing facilities and nursing facilities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2022

Ms. SCHAKOWSKY (for herself and Mr. TAKANO) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XI of the Social Security Act to provide for additional requirements for disclosing entities relating to the quality of care furnished at skilled nursing facilities and nursing facilities, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Linking Investors and
5 Nursing Home Quality Act” or the “LINHQ Act”.

1 **SEC. 2. REGULATING OWNERSHIP OF SKILLED NURSING**
2 **FACILITIES AND NURSING FACILITIES.**

3 (a) REQUIREMENT TO SUBMIT TIMELY DISCLO-
4 SURES TO ADMIT NEW RESIDENTS OF SKILLED NURSING
5 FACILITIES AND NURSING FACILITIES.—Section 1124 of
6 the Social Security Act (42 U.S.C. 1320a–3) is amended
7 by adding at the end the following new subsection:

8 “(d) SUSPENSION OF CERTAIN PAYMENTS FOR CER-
9 TAIN ENTITIES THAT FAIL TO SUBMIT TIMELY OWNER-
10 SHIP DISCLOSURES.—

11 “(1) IN GENERAL.—In the case of a covered
12 nursing facility that fails to submit specified infor-
13 mation to the Secretary by the date that is 30 days
14 after the date that such information is required to
15 be submitted pursuant to regulations or contract
16 provisions described in subsection (a)(1) (or, in the
17 case of a party with an ownership interest in such
18 facility that fails to submit information to the Sec-
19 retary in accordance with paragraph (3))—

20 “(A) the Secretary shall suspend payment
21 under title XVIII with respect to items and
22 services furnished to a specified resident during
23 the applicable payment suspension period; and

24 “(B) the Secretary shall suspend payment
25 under title XIX for medical assistance con-

sisting of items and services furnished by such facility to such a resident during such period.

“(2) QUALITY REVIEW.—

“(A) IN GENERAL.—The Secretary shall, with respect to each covered nursing facility, on a periodic basis, conduct a review of the quality of care furnished by each such facility using information reported by such a facility as part of a survey conducted under section 1819(g) or 1919(g) or as part of the minimum data set described in section 1819(f)(6) or 1919(f)(6). For purposes of conducting such reviews, the Secretary shall establish quality metrics relating to such information to evaluate each such facility.

“(B) QUALITY METRICS.—

“(i) IN GENERAL.—For purposes of subparagraph (A), the quality metrics described in this subparagraph are quality metrics specified by the Secretary, taking into account input from the Data Liaison Team established under section 2(c) of the LINHQ Act, that may be used to evaluate the information described in subparagraph (A). Such metrics shall include a metric

1 with respect to the average number of di-
2 rect care hours furnished to residents.

3 “(ii) SPECIFICATION.—The Secretary
4 shall publish on a public website each qual-
5 ity measure specified under this subpara-
6 graph at least 180 days prior to such qual-
7 ity metric being used in a quality review
8 under this paragraph, except that, with re-
9 spect to such reviews beginning during the
10 1-year period beginning on the date of the
11 enactment of this subsection, the Secretary
12 may use any such metric that the Sec-
13 retary publishes on such a website at least
14 14 days prior to the beginning of such re-
15 view.

16 “(C) ESTABLISHMENT OF STANDARDS.—
17 The Secretary shall specify standards with re-
18 spect to quality measures described in subpara-
19 graph (B), taking into account input from the
20 Data Liaison Team so described. Such stand-
21 ards shall include, with respect to the metric re-
22 lating to the average number of direct care
23 hours furnished to residents, a standard of at
24 least 4.1 direct care hours furnished per resi-
25 dent per day.

1 “(D) NOTIFICATION AND PUBLICATION OF
2 FACILITIES FALLING BELOW STANDARDS.—If
3 the Secretary determines that a covered nursing
4 facility has failed to meet a standard estab-
5 lished under subparagraph (C) with respect to
6 a quality measure described in subparagraph
7 (B) pursuant to a review conducted under this
8 paragraph, the Secretary shall—

9 “(i) notify such facility of such deter-
10 mination;

11 “(ii) publish the name of such facility
12 on the Care Compare website (or a suc-
13 cessor website) described in section 1819(i)
14 with an explanation that such facility has
15 failed to meet such standard; and

16 “(iii) suspend payment under title
17 XVIII to such facility, and payment under
18 title XIX for medical assistance furnished
19 by such facility, until such facility dem-
20 onstrates that such facility has met such
21 standard.

22 “(3) SUBMISSION OF THIRD-PARTY INFORMA-
23 TION.—The Secretary shall establish a process
24 under which, with respect to a covered nursing facil-
25 ity, any party that has an ownership interest in such

1 facility and that also has an ownership interest in an
2 entity that contracts with such facility to provide
3 any service to such facility submits to the Secretary
4 the following information:

5 “(A) A balance sheet detailing the assets,
6 liabilities, and net worth of the entity.

7 “(B) A statement of income, expenses, and
8 operating surplus or deficit.

9 “(C) A statement of cashflows, including
10 ongoing and new capital expenditures and de-
11 preciation.

12 “(4) SUBMISSION OF ADDITIONAL INFO BY FA-
13 CILITIES.—The Secretary shall require a covered
14 nursing facility, as part of the information submitted
15 under subsection (a)(1), to provide to the Secretary
16 a detailed document outlining a visual representation
17 of the facility’s structure that includes both of the
18 following:

19 “(A) Any entity in which any party that
20 has an ownership or control interest in the cov-
21 ered nursing facility and that also has an own-
22 ership interest or control interest of 5 percent
23 or more in such entity that provides any serv-
24 ice, facility, or supply to such covered nursing
25 facility.

1 “(B) Unrelated parties that provide serv-
2 ices to such facility or to facilities that are op-
3 erated, conducted, owned, managed, or main-
4 tained by the organization, including manage-
5 ment companies and property companies, and
6 that are paid more than \$200,000 by such facil-
7 ity.

8 “(5) DEFINITIONS.—In this subsection:

9 “(A) APPLICABLE PAYMENT SUSPENSION
10 PERIOD.—The term ‘applicable payment sus-
11 pension period’ means, with respect to specified
12 information required to be submitted by a cov-
13 ered nursing facility pursuant to regulations or
14 contract provisions described in subsection
15 (a)(1) (or with respect to third-party informa-
16 tion required to be submitted by a party with
17 an ownership interest in such facility), the pe-
18 riod beginning on the day that is 30 days after
19 the date that such information is required to be
20 so submitted by such facility (or party) and
21 ending on the date that is 5 days after such fa-
22 cility (or party) submits such information.

23 “(B) COVERED NURSING FACILITY.—The
24 term ‘covered nursing facility’ means a skilled
25 nursing facility (as defined in section

1 1819(a)(1)) or a nursing facility (as defined in
2 section 1919(a)(1)).

3 “(C) SPECIFIED INFORMATION.—The term
4 ‘specified information’ means any information
5 required to be submitted under subsection
6 (a)(1).

7 “(D) SPECIFIED RESIDENT.—The term
8 ‘specified resident’ means a resident of a cov-
9 ered nursing facility who is admitted to such fa-
10 cility during an applicable payment suspension
11 period with respect to such facility.

12 “(E) OWNERSHIP INTEREST.—The term
13 ‘ownership interest’ means a direct or indirect
14 interest of at least 5 percent.”.

15 (b) REQUIRING ANNUAL REPORTING FOR DIS-
16 CLOSING ENTITIES.—Section 1124(c)(3)(A) of the Social
17 Security Act (42 U.S.C. 1320a–3(c)(3)(A)) is amended by
18 adding at the end the following new sentence: “The Sec-
19 retary shall, not later than 90 days after the date of the
20 enactment of this sentence, amend such regulations to
21 provide that such information is reported not less fre-
22 quently than annually.”.

23 (c) INCREASING OVERSIGHT OF FACILITIES.—

24 (1) DATA LIAISON TEAM.—

1 (A) IN GENERAL.—Not later than 180
2 days after the date of the enactment of this
3 Act, the Secretary of Health and Human Serv-
4 ices (in this subsection referred to as the “Sec-
5 retary”) shall establish a task force (in this
6 paragraph, referred to as the “Data Liaison
7 Team”) to carry out the activities described in
8 subparagraph (B).

9 (B) ACTIVITIES DESCRIBED.—For pur-
10 poses of subparagraph (A), the activities de-
11 scribed in this subparagraph are—

12 (i) reviewing information submitted
13 under section 1124 of the Social Security
14 Act (42 U.S.C. 1320a–3) to identify any
15 common ownership patterns with respect
16 to skilled nursing facilities’ (as defined in
17 section 1819(a)(1) of such Act (42 U.S.C.
18 1395i–3(a)(1))) and nursing facilities’ (as
19 defined in section 1919(a)(1) of such Act
20 (42 U.S.C. 1396r(a)(1))) that—

21 (I) are at least 30 days delin-
22 quent in supplying the ownership in-
23 formation required pursuant to sec-
24 tion 1124(a)(1) of such Act (42
25 U.S.C. 1320a–3(a)(1));

1 (II) in the preceding quarterly
2 reporting period, failed to meet a pay-
3 roll based journal level of 4.1 hours of
4 direct resident care hours (including
5 registered nurse, licensed practical
6 nurse, and nursing assistant or cer-
7 tified nursing assistant care) per resi-
8 dent per day; or

9 (III) in the preceding year of re-
10 porting, failed to meet any quality
11 standard established by the Secretary
12 under subsection (d) of such section
13 or established by the Secretary or a
14 State with respect to surveys con-
15 ducted under section 1819(g) or
16 1919(g) of such Act (42 U.S.C.
17 1395i-3(g); 42 U.S.C. 1396r(g));

18 (ii) assessing potential misuse of pay-
19 ments under titles XVIII and XIX of such
20 Act (42 U.S.C. 1395 et seq.; 1396 et seq.)
21 through review of data collected by the
22 Treasury Department, facility organization
23 charts, and cost reports submitted under
24 such title XVIII;

1 (iii) on a monthly basis, reporting any
2 disclosing entities (as defined for purposes
3 of section 1124 of such Act (42 U.S.C.
4 1320a–3)) with common ownership identi-
5 fied pursuant to clause (i), or with respect
6 to which the Team has found a potential
7 misuse of payments pursuant to clause (ii),
8 to the Interagency Board, the Office of In-
9 spector General of the Department of
10 Health and Human Services, and the De-
11 partment of Justice;

12 (iv) regularly reviewing skilled nursing
13 facilities and nursing facilities with a one-
14 star rating in health inspections or staffing
15 on the Care Compare website (or a suc-
16 cessor website) described in section 1819(i)
17 of such Act (42 U.S.C. 1395i–3(i)), as well
18 as such facilities that are ranked among
19 the lowest 20 percent of facilities on such
20 website with respect to quality; and

21 (v) at the discretion of the Data Liai-
22 son Team, requiring skilled nursing facili-
23 ties and nursing facilities to submit to the
24 Team information on whether such facili-
25 ties—

1 (I) do business (including busi-
2 ness relating to laundry services,
3 staffing agencies, food and beverage
4 services, medical supplies, or con-
5 sulting) with any other entity (includ-
6 ing a specification of such other enti-
7 ty);

8 (II) lease their building or prop-
9 erty from another entity (including a
10 specification of such other entity); or

11 (III) share an individual who has
12 directly or indirectly (as determined
13 by the Secretary pursuant to a notice
14 and comment rulemaking) any owner-
15 ship interest of 5 percent or more in
16 an entity described in subclause (II)
17 and the skilled nursing facility or
18 nursing facility.

19 (C) PROVISION OF INFORMATION.—

20 (i) TREASURY INFORMATION.—For
21 purposes of subparagraph (B)(ii), the Sec-
22 retary of the Treasury shall furnish to the
23 Data Liaison Team such information as
24 such Team may request.

1 (ii) FACILITY INFORMATION.—For
2 purposes of subparagraph (B)(v), a skilled
3 nursing facility or nursing facility shall
4 submit to the Data Liaison Team such in-
5 formation as may be requested by the
6 Team. Any failure to submit such informa-
7 tion shall be deemed to constitute a viola-
8 tion of section 1124(a)(1) of such Act (42
9 U.S.C. 1320a–3(a)(1)).

10 (D) COMPOSITION.—

11 (i) IN GENERAL.—The Data Liaison
12 Team shall consist of—

13 (I) the Administrator of the Cen-
14 ters for Medicare & Medicaid Services
15 of the Department of Health and
16 Human Services (or designee); and

17 (II) any other employees of the
18 agency specified in subclause (I) (as
19 determined appropriate by the Sec-
20 retary).

21 (ii) MANAGER.—An employee of the
22 Centers for Medicare & Medicaid Services
23 of the Department of Health and Human
24 Services shall manage the Data Liaison
25 Team.

1 (2) INTERAGENCY BOARD.—

2 (A) IN GENERAL.—Not later than 180
3 days after the date of the enactment of this
4 Act, the Secretary of Health and Human Serv-
5 ices shall establish a task force (in this para-
6 graph, referred to as the “Interagency Board”)
7 to carry out the activities described in subpara-
8 graph (B).

9 (B) ACTIVITIES DESCRIBED.—For pur-
10 poses of subparagraph (A), the activities de-
11 scribed in this subparagraph are—

12 (i) reviewing the list of disclosing enti-
13 ties reported pursuant to paragraph
14 (1)(B)(iii) to determine which entities to
15 refer to the Office of Inspector General of
16 the Department of Health and Human
17 Services and the Department of Justice for
18 further investigation;

19 (ii) reporting any such referrals to the
20 Data Liaison Team, and the reasoning for
21 any such referrals, not later than 7 days
22 after such a referral is made; and

23 (iii) on an biannual basis, submitting
24 to Congress a report on the findings made
25 by and results from any referrals made by

1 the Interagency Board, including any rea-
2 son for not pursuing action on referrals in
3 the event that action was not taken (if the
4 Interagency Board has been informed of
5 such reason).

6 (C) COMPOSITION.—

7 (i) IN GENERAL.—The Interagency
8 Board shall consist of—

9 (I) the Administrator of Centers
10 for Medicare & Medicaid Services of
11 the Department of Health and
12 Human Services (or designee);

13 (II) the Inspector General of the
14 Office of the Inspector General of the
15 Department of Health and Human
16 Services (or designee);

17 (III) the Attorney General of the
18 Department of Justice (or designee);
19 and

20 (IV) any other employees of the
21 agencies specified in subclauses (I)
22 through (III) (as determined appro-
23 priate by the Secretary of Health and
24 Human Services).

1 (ii) CHAIR.—An employee of the Of-
2 fice of Inspector General of the Depart-
3 ment of Health and Human Services shall
4 chair the Interagency Board.

5 **SEC. 3. FUNDING FOR NATIONAL DEMONSTRATION**
6 **PROJECTS ON CULTURE CHANGE AND USE**
7 **OF INFORMATION TECHNOLOGY IN NURSING**
8 **HOMES.**

9 Section 6114 of the Patient Protection and Afford-
10 able Care Act (42 U.S.C. 1395i–3 note) is amended—

11 (1) in subsection (a), by adding at the end the
12 following new sentence: “Beginning in fiscal year
13 2023, the Secretary shall implement 2 additional
14 demonstration projects, split in accordance with the
15 previous sentence.”;

16 (2) in subsection (b)—

17 (A) in paragraph (1), by adding at the end
18 the following new sentence: “For the carrying
19 out of the implementation of demonstration
20 projects beginning in fiscal year 2023, the Sec-
21 retary shall award grants (in a number deter-
22 mined appropriate) in accordance with the pro-
23 visions of this subsection.”; and

24 (B) by adding at the end the following new
25 paragraph:

1 “(3) REQUIREMENT FOR ONE OF THE RE-
 2 NEWED DEMONSTRATION PROJECTS.—With respect
 3 to the grants which are awarded under 1 of the 2
 4 demonstration projects which is implemented pursu-
 5 ant to the second sentence of subsection (a), all of
 6 the grants which are so awarded shall be awarded to
 7 skilled nursing facilities and nursing facilities which
 8 have a high proportion of residents receiving medical
 9 assistance under title XIX of the Social Security Act
 10 for nursing facility services.”;

11 (3) in subsection (c)—

12 (A) in paragraph (1), by striking “The
 13 demonstration projects” and inserting “Subject
 14 to paragraph (3), the demonstration projects”;
 15 and

16 (B) by adding at the end the following new
 17 paragraph:

18 “(3) IMPLEMENTATION OF DEMONSTRATION
 19 PROJECTS.—The demonstration projects described in
 20 the second sentence of subsection (a) shall be imple-
 21 mented for a period not to exceed 5 years.”;

22 (4) in subsection (d), by adding at the end the
 23 following new paragraph:

24 “(4) CULTURE CHANGE.—The term ‘culture
 25 change’ means, with respect to a skilled nursing fa-

1 cility or a nursing facility carrying out a demonstra-
2 tion project under this section, the process of pro-
3 moting person-centered care and person-centered
4 work culture at such facility.”; and

5 (5) in subsection (e), by adding at the end the
6 following new sentence: “With respect to the imple-
7 mentation of the demonstration projects pursuant to
8 the second sentence of subsection (a), there are au-
9 thorized to be appropriated \$50,000,000 to carry
10 out the demonstration project relating to culture
11 change and \$30,000,000 to carry out the demonstra-
12 tion project relating to information technology for
13 the period of fiscal years 2023 through 2027.”.

○