

109TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { 109-_____

DEFICIT REDUCTION ACT OF 2005

_____, 2005.—ORDERED TO BE PRINTED

Mr. Nussle, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 1932]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1932), to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95), having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Deficit Reduction Act
3 of 2005”.

4 **SEC. 2. TABLE OF TITLES.**

5 The table of titles is as follows:

TITLE I—AGRICULTURE PROVISIONS

TITLE II—HOUSING AND DEPOSIT INSURANCE PROVISIONS

TITLE III—DIGITAL TELEVISION TRANSITION AND PUBLIC
SAFETY

TITLE IV—TRANSPORTATION PROVISIONS

TITLE V—MEDICARE

TITLE VI—MEDICAID AND SCHIP

TITLE VII—HUMAN RESOURCES AND OTHER PROVISIONS

TITLE VIII—EDUCATION AND PENSION BENEFIT PROVISIONS

TITLE IX—LIHEAP PROVISIONS

TITLE X—JUDICIARY RELATED PROVISIONS



1 (1) beginning during the 12-month period be-
2 ginning on July 1, 2006, is 60 percent;

3 (2) beginning during the 12-month period be-
4 ginning on July 1, 2007, is 65 percent; and

5 (3) beginning on or after July 1, 2008, is 75
6 percent.

7 (c) IRF REGULATION.—For purposes of subsection
8 (a), the term “IRF regulation” means the rule published
9 in the Federal Register on May 7, 2004, entitled “Medi-
10 care Program; Final Rule; Changes to the Criteria for
11 Being Classified as an Inpatient Rehabilitation Facility”
12 (69 Fed. Reg. 25752).

13 **SEC. 5006. DEVELOPMENT OF A STRATEGIC PLAN REGARD-**
14 **ING PHYSICIAN INVESTMENT IN SPECIALTY**
15 **HOSPITALS.**

16 (a) DEVELOPMENT.—

17 (1) IN GENERAL.—The Secretary of Health and
18 Human Services (in this section referred to as the
19 “Secretary”) shall develop a strategic and imple-
20 menting plan to address issues described in para-
21 graph (2) regarding physician investment in spe-
22 cialty hospitals (as defined in section 1877(h)(7)(A)
23 of the Social Security Act (42 U.S.C.
24 1395nn(h)(7)(A)).



1 (2) ISSUES DESCRIBED.—The issues described
2 in this paragraph are the following:

3 (A) Proportionality of investment return.

4 (B) Bona fide investment.

5 (C) Annual disclosure of investment infor-
6 mation.

7 (D) The provision by specialty hospitals
8 of—

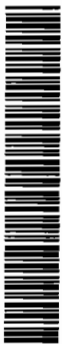
9 (i) care to patients who are eligible for
10 medical assistance under a State plan ap-
11 proved under title XIX of the Social Secu-
12 rity Act, including patients not so eligible
13 but who are regarded as such because they
14 receive benefits under a demonstration
15 project approved under title XI of such
16 Act; and

17 (ii) charity care.

18 (E) Appropriate enforcement.

19 (b) REPORTS.—

20 (1) INTERIM REPORT.—Not later than 3
21 months after the date of the enactment of this Act,
22 the Secretary shall submit an interim report to the
23 appropriate committees of jurisdiction of Congress
24 on the status of the development of the plan under
25 subsection (a).



1 (2) FINAL REPORT.—Not later six months after
2 the date of the enactment of this Act, the Secretary
3 shall submit a final report to the appropriate com-
4 mittees of jurisdiction of Congress on the plan devel-
5 oped under subsection (a) together with rec-
6 ommendations for such legislation and administra-
7 tive actions as the Secretary considers appropriate.

8 (c) CONTINUATION OF SUSPENSION ON ENROLL-
9 MENT.—

10 (1) IN GENERAL.—Subject to paragraph (2),
11 the Secretary shall continue the suspension on en-
12 rollment of new specialty hospitals (as so defined)
13 under title XVIII of the Social Security Act until the
14 earlier of—

15 (A) the date that the Secretary submits
16 the final report under subsection (b)(2); or

17 (B) the date that is six months after the
18 date of the enactment of this Act.

19 (2) EXTENSION OF SUSPENSION.—If the Sec-
20 retary fails to submit the final report described in
21 subsection (b)(2) by the date required under such
22 subsection, the Secretary shall—

23 (A) extend the suspension on enrollment
24 under paragraph (1) for an additional two
25 months; and



1 (B) provide a certification to the appro-
2 priate committees of jurisdiction of Congress of
3 such failure.

4 (d) WAIVER.—In developing the plan and report re-
5 quired under this section, the Secretary may waive such
6 requirements of section 553 of title 5, United States Code,
7 as the Secretary determines necessary.

8 (e) FUNDING.—Out of any funds in the Treasury not
9 otherwise appropriated, there are appropriated to the Sec-
10 retary for fiscal year 2006, \$2,000,000 to carry out this
11 section.

12 **SEC. 5007. MEDICARE DEMONSTRATION PROJECTS TO PER-**
13 **MIT GAINSHARING ARRANGEMENTS.**

14 (a) ESTABLISHMENT.—The Secretary shall establish
15 under this section a qualified gainsharing demonstration
16 program under which the Secretary shall approve dem-
17 onstration projects by not later than November 1, 2006,
18 to test and evaluate methodologies and arrangements be-
19 tween hospitals and physicians designed to govern the uti-
20 lization of inpatient hospital resources and physician work
21 to improve the quality and efficiency of care provided to
22 Medicare beneficiaries and to develop improved oper-
23 ational and financial hospital performance with sharing of
24 remuneration as specified in the project. Such projects
25 shall be operational by not later than January 1, 2007.

